

Trade and Industrial Policy Secretariat (TIPS)
of the
International Development Research Centre of Canada:

Report of an External Evaluation

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Foreword

This report contains the findings of evaluations conducted between November 2000 and February 2001 by Jeffrey C. Fine and Professor J. Dirck Stryker. Parts I and III were prepared by Jeffrey Fine and Part II by Professor Stryker. Both evaluators benefited from the excellent support provided by Dr. Rashad Cassim, Director of TIPS and his associates. The evaluators also wish to thank those persons listed in appendix A for the time taken to respond to their various queries.

Acronyms

AERC	African Economic Research Consortium
CIDA	Canadian International Development Agency
DTI	Department of Trade and Industry, Government of South Africa
EU	European Union
GKN	Global Knowledge Network (of World Bank and others)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH
IDRC	International Development Research Centre of Canada
LATN	Latin America Trade Network
SACU	Southern African Customs Union
SADC	Southern Africa Development Community
SATN	Southern African Trade Network
TEC	Trade, Employment and Competitive Program Initiative, IDRC
TIPS	Trade and Industrial Policy Secretariat
USAID	United States Agency for International Development
CEPR	Centre for Economic Policy Research, London

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I. The Evaluation: Background and Objectives

In 1995, the Department of Trade and Industry of South Africa (DTI) requested support from the International Development Research Centre of Canada (IDRC) to strengthen essential functions bearing on the formulation and execution of trade and industrial policies. The DTI confronted major challenges. One was the need for a total revamping of industrial policy. Previously, in reaction to economic sanctions, considerable effort had been devoted toward reducing imports regardless of economic cost. Industrial development under apartheid had been further distorted by government policies directing investment, through legislation, tax incentives, and subsidies, toward “Black Homelands”.

The DTI’s new leadership, with strong academic roots in industrial policy research, recognised the necessity of intensifying skills and promoting innovation in order to promote diversification of the country’s economic structure. A second challenge was the overriding importance of raising the stake of South Africa’s newly enfranchised Black majority in the country’s economy through expanded opportunities for employment and enterprise. A third related to trade. Although the incoming government had endorsed the GATT offer of its predecessor, there remained the task of rationalising and steadily reducing the highly distorted structure of protection, based on a complex array of tariffs, subsidies, tax incentives and non-tariff barriers. The DTI’s new leadership recognised that such action was essential to goad South African industry toward greater efficiency. Also looming were major negotiations, cross-linked in practice to partners and neighbours in SACU and SADC, on Associate Membership in the EU.

At the same time, the DTI confronted the daunting task of internal restructuring. Many public servants accepted generous retirement packages negotiated by the outgoing government. Quickly there emerged a major shortage of qualified professionals, especially at middle management levels. There was understandable pressure on the Department to commence recruitment of newly graduating, black South Africans who were also being wooed with more attractive offers by the private sector. Shortfalls in experience and skill would have to be bridged by on-the-job training and short, applied courses.

In response to the DTI’s request, the IDRC financed a consultancy to design an initiative that would help the Department respond to these challenges. Whilst confirming the challenges generally, the consultants offered some important qualifications. The first related to the need for research. In many respects, the Department was being supplied with timely, relevant information on key issues. A major bottleneck was the absence of an internal capacity to digest this material and highlight key findings and recommendations for senior management. Recruitment and mentoring of young, inexperienced professionals would take time. Hence, much of this critical function would have to be assigned to contracted professionals in consulting firms and universities. Also at risk, the consultants noted, was the continuing capacity in South African universities to offer timely, relevant training to Department professionals. Many of the best academics were being recruited to senior positions in the public service. With the rapid dismantling of apartheid, the universities themselves were facing major restructuring, and a potentially massive expansion of undergraduate education. Years of intellectual boycott also called for an upgrading of knowledge and skills to internationally acceptable standards. The consultants’ third qualification highlighted the importance of outreach and communication with other government agencies and with key players in the economy and community at large. In part, such bodies as NEDLAC mandated consultation on major policy issues among the key

stakeholders. Furthermore, the experience of countries that had successfully implemented far-reaching changes in trade and industrial policy underscored the importance of communicating government intentions, consulting with key interest groups, mobilising public opinion, and responding quickly to substantive concerns.

Against this backdrop, and following consultations on the consultants' findings and recommendations, the IDRC and DTI agreed to establish the *Trade and Industrial Policy Secretariat (TIPS)*. The IDRC designation of "Secretariat" denoted an activity managed much more independently than a project, but conforming broadly to IDRC regulations and procedures. Normally, such "secretariats" have been expected to evolve into fully autonomous agencies. Various considerations dictated that the initiative not be situated within the South African Government or DTI itself. One was the need for a heuristic approach that would allow TIPS's structure, activities, and modalities to evolve in response to actual needs and operational experience. A second was the overriding importance of flexibility in recruiting staff, designing modalities, and initiating activities that were not readily apparent to a public sector also undergoing major reform in structure and procedures. A third was the need to maintain and deepen links with groups outside government, notably with the academic community within South Africa and knowledge networks abroad. An unimpeded flow of new ideas and information was also considered essential. Hence, TIPS had to be seen by those outside government as being closely linked but not dominated by the DTI and other agencies.

In the period following TIPS's establishment, South Africa's economic performance has neither fulfilled highly optimistic expectations nor confirmed deeply pessimistic forecasts. Those perceiving the proverbial "glass" as "half empty" note that the economy has not yet attained the annual levels of growth and investment needed to begin raising living standards appreciably. Likewise, growth in black South African assets, in equity holdings and in businesses, has lagged far behind targeted levels. Initial government-led attempts to raise productivity and promote innovation have often proven disappointing.

There are also legitimate grounds for seeing the "glass" as "half full". Macroeconomic management has been sound, bridging major changes in leadership at the Ministry of Finance and Reserve Bank of South Africa. Not least, the government has resisted strong, but economically short-sighted, pressures from key political constituencies to relax financial and monetary discipline. It has successfully concluded a major agreement with the European Union, has prodded SADC toward greater effectiveness and relevance as a regional community, has promoted stronger investment and trade ties within SSA, and has been pursuing negotiations with members of SACU and SADC. In the face of often heated protest from labour and business, it has sustained its commitment to progressive rationalisation and reduction of the structure of protection. Also with the aim of improving the competitiveness of South African enterprise, the DTI has started restructuring its own organisation and instruments.

Evaluations of the IDRC's projects on Trade, Employment and Competitiveness (TEC) have cited TIPS as singularly successful¹. The quality and relevance of policy research supported by it has improved steadily, as gauged by its principal client, namely senior management in the DTI, as well as more distanced observers in South African universities and international knowledge networks. Also mentioned positively is TIPS's proactive approach in identifying emerging issues, surveying existing knowledge on them, and commencing exploratory work. TIPS has

¹ Trade, Employment and Competitiveness (TEC) Programme Initiative: A Review (M. Carr and V. Vyas, June 1999) and IDRC Program Initiative for Trade Employment and Competitiveness: Report of an External Evaluation (Fine, J.C. et al. March 2001).

mounted short training courses to impart essential skills to those conducting policy research or to increase the absorptive capacity of their intended audience. TIPS's Annual Forum has emerged as a key event in the calendar of those engaged in producing or using research bearing on trade and industrial policy. TIPS has also been quick to exploit advances in information technology. Papers presented at its September 2000 Forum were rapidly distributed to participants on CD-ROM. Its Web site now incorporates an expanding database on the South African economy, as well as publications and information on various events.

Among the factors cited by these evaluations as central to TIPS's successful performance overall have been excellent leadership, an engaged Board, an audience of policy makers valuing high quality, independent but relevant research, an ability to discern upcoming issues, and a close but not overly intimate relationship with government. Not least has been the absence of complacency by its Director, staff and Board.² Foremost among the concerns of these evaluations have been the rigour of TIPS supported research, its relevance to policy, and its rapid transmittal to decision makers. These comprise a principal motivation for the current evaluation and are the subject of the review by Professor J. Dirck Stryker that is presented in the next section of this report.

TIPS has fulfilled other functions beyond the more immediate tasks of facilitating policy relevant research and strengthening associated skills and knowledge. As a bellwether, TIPS has detected issues not readily perceived by a public service more narrowly focused on those issues listed on the DTI's agenda. Through links with knowledge networks and expertise elsewhere, TIPS has also been upgrading the quality of research in terms of topics, approaches, and skills. Also perceived although not fully defined are links with professionals in southern Africa also concerned with trade and industrial policy, albeit sometimes from a position diametrically opposite to the South African government. Placing TIPS within this broader context, in order to assist its Board and backers in defining strategic objectives, comprises the focus of Section III of this report. This part of the evaluation has been prompted by various considerations.

One is change within the public sector, as signalled most recently by the announced restructuring of the DTI, a recast mandate for the Competition Commission, and other policies relating to privatisation and concessioning of public sector assets and services. Whilst the DTI will clearly remain a leading, if not the lead, player in fashioning public policy for the "real" side of the economy, much as Finance has assumed an analogous role for its "financial" aspects, there remain other important departments and agencies, both federally and provincially, concerned with such issues as upgrading skills of the labour force, liberation of the supply and delivery of economic infrastructure services, and promoting competitiveness and productivity through heightened competition. As the DTI buttresses its own research capacity in support of immediate operations, and co-ordinates such efforts through the newly established position of Chief Economist, TIPS's own role will necessarily evolve. Such changes do not render TIPS obsolete. However, they do call for a refocusing of effort.

Not surprisingly, a second motivation is a shift in priorities for policy research. Indeed many have been signalled by TIPS itself through surveys, commissioned studies, and exploratory projects. With the important exception of regional negotiations, bilaterally and within the frameworks of SACU and SADC, the most pressing items on the trade agenda have been completed. Obviously, some major issues do remain and others will undoubtedly arise over the next few years. More generally, however, the "pendulum" has been swinging toward industrial

² This absence of complacency is evident in the Director's own assessment of factors contributing to TIPS's success. See Cassim, Rashad 'Reconciling the Mismatch Between the Producers and Consumers of Policy Research: The Case of the Trade and Industrial Policy Secretariat (TIPS) in South Africa, May 2000

policy. Among the likely areas for more intensive research are competition policy, competitiveness of South African industries, and accelerated movement toward an economy based more on trade in services based on applications of knowledge and skills. The role TIPS can and should play in supporting research on these and related issues needs to be ascertained.

Growing stature within South Africa has inevitably heightened pressures, not least from the donor community, for TIPS to become more actively engaged in supporting policy research within southern Africa. Understandably such demands have encountered strong resistance from the DTI because they might dull TIPS's valued focus on South African concerns. TIPS's own Board fears that a significant expansion of effort into the region will dilute efforts to strengthen capacity within South Africa's own research community and to improve the quality and relevance of TIPS supported policy research. Nonetheless, there is qualified recognition that TIPS will gradually be enlarging its involvement in the region. One factor is funding. Many donors must increasingly justify support for South African based activities in terms of their relevance and broader benefit to the region. Another is TIPS's own success. Inevitably, initiatives on trade and industrial policy in the region, such as the IDRC's Southern African Trade Network (SATN) will be viewed as inferior to TIPS. To obtain peer review and recognition, participants in such activities will seek to participate in TIPS, for example by submitting papers for presentation at its Annual Forum. How such demands can be accommodated without detracting from TIPS's other strategic objectives warrants serious consideration by its Board.

On an international plane, TIPS's links are expanding. One example is growing interaction, initially facilitated by the IDRC, with the *Red Mercosur* and the Latin American Trade Network (LATN), associated respectively with "deep integration" in the Southern Cone and the Western Hemisphere. TIPS is also collaborating with the Global Knowledge Network of the World Bank. Inevitably it will confront requests for participation in other knowledge networks and initiatives. Normally such involvement would be consistent with its other roles, e.g. in developing new areas of research relevant to South African trade and industrial policy. Nonetheless, a more systematic consideration of how these roles and obligations might conflict or complement each other should prove useful to TIPS's management, Board and financiers.

An immediate concern is the implication of IDRC's decision to close its regional office in Johannesburg. To date, TIPS has been able to use the IDRC's accounting, grants, personnel, financial and administrative procedures. An added advantage has been the implicit assurance for contributors that IDRC will be supervising TIPS's operations and financial transactions. Closure of the IDRC office will accelerate TIPS's transition to a "Section 21" company, effectively to the status of a South African incorporated NGO. With this change in legal status will come the need to adopt formally and explicitly policies and procedures associated with management of an independent entity. Not least will be the need to reconstitute TIPS's "governance", specifically the roles and mandate of its governing board, and to consider the need for other bodies, notably an advisory committee on research and other activities. Also pending is a clarification of TIPS's longer-term relationship with the DTI and with the government of South Africa more generally.

The IDRC has tangibly confirmed its continuing financial commitment to TIPS. Over the medium term, however, TIPS must begin to diversify its sources of revenue. Central to financial sustainability, at least in TIPS's current form, is support by the government. Possibly more critical than the amount will be the terms and conditions associated with it. An analogous situation exists with respect to financing by donors, specifically the balance struck between unrestricted (core) and restricted (project or item specific) funds. Our own evaluation has not dwelt on financing for TIPS. However, our findings, as they relate to its roles and activities in future, clearly have implications concerning the volume and type of financing it will require.

Part II of this report focuses on TIPS's principal mandate of facilitating policy research for government, principally the DTI. Also considered are activities aimed at strengthening the skills and knowledge of researchers, largely within the academic community, as well as the ability of "consumers" within government, principally at middle management level, to utilise their findings. Part III looks at TIPS retroactively and prospectively in two broader contexts. The first is the "functions" in addition to "knowledge for policy making" that it is fulfilling. The second is its interactions with various groups, aside from the DTI, in terms of these different functions. Implications are drawn from this overview regarding TIPS's future programming, staffing and financing and governance.

II. TIPS and Policy Research

1. Three Major Functions

One of the goals of this evaluation is to understand what the mission of the Trade and Industrial Policy Secretariat (TIPS) has been, how effectively this mission has been implemented, and how it might most usefully evolve in the future. As described on its Web site, the current main functions of TIPS are to:

- Serve as a clearing house for the South African Department of Trade and Industry (DTI) by effectively assisting in harnessing all relevant trade and industrial policy research for the DTI's policy considerations, which will strengthen and enhance the capacity for policy analysis in the DTI.
- Strengthen the capacity outside of government to construct research on trade and industrial policy in order to enlarge the pool of researchers.
- Play an increasingly important role in research capacity building in Southern Africa.

This elaboration of TIPS's functions places considerable emphasis on building research capacity on trade and industrial policy, both within South Africa and more broadly within Southern Africa, and on making this research available to the DTI in order to strengthen its capacity for policy analysis.

In his remarks to the Board meeting on 27 November 2000, the Director emphasised another role for TIPS by pointing to the following constraints on the use of research for policy decisions:

- Lack of high quality, policy relevant research in Southern Africa;
- Insufficient linkages between the research community and policy makers;
- Lack of absorptive capacity in government for applied research;
- Lack of exposure of South African decision-makers to best practice policy formulation;
- Lack of accurate, tested, standardised data on SADC countries; and
- Lack of special skills required to do the necessary analysis.

This formulation concentrates less on capacity building within the research community and more on improving linkages between researchers and policy makers and on increasing the capacity of government to make use of the research.

In pursuit of these objectives, TIPS has engaged in the following activities:

- Commissioning of policy-relevant research;
- Technical assistance to the DTI;
- Short courses and symposia on specific topics of importance;
- Annual TIPS Forum;
- Publication of working papers, articles in the *Trade and Industry Monitor*, monographs, proceedings, and other documents;
- Building of databases and analytical frameworks for policy analysis;
- Maintenance of a Web site for the dissemination of data and research; and
- Maintenance of linkages with policy-oriented researchers and institutions within and outside of South Africa.

Details regarding this program and its implementation will be discussed below. This section concentrates on how TIPS's mandate might be broadened to comprise three major functions: (1) harnessing research as an input to policy decisions; (2) using the research to enhance the quality of the public dialogue surrounding major policy choices; and (3) strengthening the capacity to undertake and make use of the research.

1.1 Research as an Input to Policy

Using research as an input into policy decisions demands that the research be relevant, timely, and professionally sound. TIPS has worked hard to encourage academic researchers to undertake research that is relevant for policy makers within DTL. This research has generally been of high quality and its cost has been relatively low since these researchers have their overhead costs covered by the academy and are willing to work on topics of interest to them for modest compensation. A potential disadvantage in relying on academic researchers is that (1) they frequently have a supply-driven agenda of what they think is interesting and (2) the timeliness of the results often leaves something to be desired by standards of public decision-making.

The other major alternative is to use consultants. The advantages are that consultants tend to be oriented more to the client's agenda and generally are able to respond to the policy maker's timetable reasonably well. The disadvantages are that quality is sometimes sacrificed for a "quick-and-dirty" approach, and consultants are generally much more costly than academic researchers.

There is a third alternative towards which TIPS might aspire. This alternative would involve the commissioning of more basic research by academically oriented researchers, the results of which could be harvested in a timely fashion according to policy makers' needs. This approach requires good communications between researchers and policy makers to anticipate what the policy makers' needs will be in the future. It also requires that the researchers are interested in having their research results used by policy makers, and are therefore willing to respond in a timely fashion to a demand-driven agenda – provided that they have been able to undertake in advance the more basic research required for this response. TIPS could do much to facilitate this third alternative, especially if potential funding sources understand the need to conduct basic research well in advance of its utilisation by policy makers.

1.2 Enhancing the Public Dialogue

Thus far TIPS has done relatively little to become involved in the public dialogue regarding the many important policy issues facing South Africa today. Its preferred approach to dissemination of its research results to the broader public has been to rely on the reports of journalists who attend its annual forums, workshops, and symposia, or who read its various publications. There has been a sense that too much of the discussion in stakeholder meetings surrounding these issues are based on emotional responses rather than reasoned analysis.

This perception may be true, but the quality of the public dialogue is unlikely to improve unless those who have conducted this analysis are willing to participate directly in the dialogue. Ways must be found to distil the essential findings and to make them available to the public in a form that can be understood by those who are uninitiated into the vagaries of economics. Relying on journalists to convey the message assumes (1) that they attend the various gatherings at which research is discussed or read the publications, and (2) that they understand and can communicate that which is most important. Neither is a sure bet.

Many of the people interviewed by the evaluation team thought that greater participation in the public dialogue was an important role for TIPS to fill. There is a sense that given the political pressures that exist in South Africa today, someone must speak for greater rationality in making policy decisions. There is also a sense, however, that this might best be done on neutral terrain, since TIPS is identified by some observers as being too closely associated with positions of the DTI. NEDLAC might be one such locale, which could bring together business, trade unions, and government. Including representatives of business and labour within TIPS governing structure, an issue discussed in part III of the report, would also be a useful step. These and other measures should help dispel the erroneous notion that TIPS is a strong proponent of the “Washington Consensus”. Such labelling unfortunately inhibits TIPS’s ability to interact in a constructive way with other parties in the dialogue.

1.3 Strengthening the Capacity to Undertake and Use Research

TIPS has worked actively to strengthen the capacity to undertake good research in the area of trade and industrial policy. The commissioning of research and the dissemination of the results of the research via the annual forums, workshops, symposia, and publications has contributed much to assuring that this area of research is not neglected. By developing analytical frameworks and by assembling databases and making them available to the research community, TIPS has also assured that most of the research is methodologically and empirically sound.

In addition, TIPS has sought to strengthen the capacity of policy makers to use the research via short courses, workshops, technical notes, and other educational devices. Here TIPS has been less successful. Part of the problem has been the difficulty for DTI and other government departments to retain good analysts in competition with the private sector. High turnover accompanied by low pay scales has reduced staff incentives. But also important has been the relative sophistication of some of the methodologies employed by TIPS-sponsored researchers. For example the Regional Symposium held in September 2000 to discuss international trade and computable general equilibrium models was attended by very few government officials. This symposium was worthwhile, despite this failing, because it offered researchers in these areas the opportunity to come together to learn what each other was doing. However, it points to the wide gap that exists between the capacity to undertake research and the capacity to make use of it for policy purposes.

There are a number of proposals for overcoming this problem. One is to continue to offer short courses and workshops that are particularly geared to government analysts who do not have the sophisticated knowledge of methodologies that the researchers have. Another is to offer internships to students, who would work within the government for a length of time sufficient to gain some appreciation of the challenges of public policy analysis. TIPS in fact is arranging some internships for DTI. A third possibility, suggested by a government official within DTI, is to bring more senior researchers, possibly as teams of a South African and a foreigner, to work together with government analysts for a time within DTI or another government department. This arrangement would both help to build capacity within the department and also assist the researchers to learn more about the constraints facing policy makers.

2. *Setting the Research Agenda*

TIPS was created at a time when the new South African government was committed to a series of far-reaching reforms involving a drastic reduction of trade protection, simplification of the tariff structure, rationalising government support for domestic industries, and deregulation of markets. Success required expansion of exports of a diversified range of products to new markets, enhanced competitiveness of South African products in the global marketplace, and productivity

growth through expanded investment. DTI had primary responsibility for the formulation and implementation of policies and programs consistent with this new orientation, but it had very little capacity to absorb and utilise existing research on trade and industrial policy. Nor, for that matter, was there a great deal of research available for policy makers to use. TIPS's task was to facilitate an increase in both the quantity and quality of research and put the results at the disposal of policy makers.

2.1 Policy-Driven or Researcher-Driven

Critical to fulfilling this task is the manner in which the research agenda is established. A major issue here is the balance between demand-driven research, where the agenda is set by the policy makers in need of information, and supply-driven research, where the researchers set the agenda on the basis of their intimate knowledge of the subject matter. Demand-driven research is more likely to be closely related to policy, but some of it is fairly shallow and policy makers may not have the time or perspective to ask the larger questions that are likely to become increasingly important in the future. Supply-driven research, on the other hand, may be more soundly based and have a longer term perspective, but can lack relevance and may satisfy the researchers interests more than those of the policy makers.

In helping set the research agenda, TIPS has generally been successful in striking a judicious balance between the two. This has been facilitated by the fact that many top policy makers were themselves once researchers or at least have an intimate knowledge of how research is conducted and is useful for policy formulation. Research topics are usually identified by the Director in discussions with policy makers and researchers regarding what they think is important. The research program is then prepared by the Director and is presented to the Board at one of its semi-annual meetings for approval. Throughout this process, the Director appears to play a very active role in encouraging DTI policy makers to anticipate their needs well into the future. One example has been highlighting the importance of services for DTI, both as an input that affects South African competitiveness and as an increasingly important element of trade. Another has been the research and training that has been conducted in support of the Competition Commission, which comes under DTI.

DTI has occasionally placed strong demands on TIPS. Examples include requests for information regarding factors determining investment, potential free trade areas with a range of country partners, and the influence of DTI incentives on Small, Medium, and Micro Enterprises (SMMEs). For example, DTI has been under considerable pressure to obtain information on South Africa's trade with different partners as an input into negotiations on potential free trade areas. TIPS has laboured to respond to this need, using its extensive database on trade, even though it has felt that this is not necessarily the best use of its limited resources.

One problem, in this respect, is that DTI has been able use TIPS's services without paying directly for them. In fact, TIPS is prevented from applying for DTI grants because of potential conflict of interest with DTI staff members on its Board. This has led to a situation in which DTI may have overused TIPS.

At the same time, senior policy makers at DTI are acutely aware of the value of TIPS not only in terms of responding to day-to-day needs but also by reflecting on what DTI is doing and anticipating what it should be doing in the future. TIPS is also seen as being particularly useful in bringing to bear the experience of other countries and what is happening in the broader global economy. The Annual Forum is seen as being especially important to identify gaps in knowledge that should be filled.

2.2 The Evolving Research Agenda and Its Implications

TIPS has a research agenda that is currently evolving in a number of new directions. Although this evolution appears desirable given the needs of the South African economy, it also has a number of important implications for how TIPS operates and for its size and structure in the future. Below we examine each major component of the research agenda, identify specific needs that are likely to be generated by its implementation, and judge the overall scale of activity that will be required. Later in the report, we look at these demands in relation to TIPS's ability to satisfy them.

The research agenda for TIPS was initially focused primarily on the implications for South Africa of increased openness to trade. Much of this research was directed towards the factors that would make South Africa competitive in the global economy in terms of both exports and foreign direct investment. There was also some attention to the implications of the SADC Trade Protocol. Some research was undertaken on the formulation of an industrial strategy in South Africa, and particular attention was paid to the role of services. In addition, TIPS commissioned a substantial quantity of research on linkages between trade, growth, and labour markets, leading up to its Forum 2000: Paths to Growth and Employment in South Africa.

More recently, the research agenda has shifted in a number of directions. As many of the reforms in trade policy have already been implemented, there is less focus on trade, and on the impact of reform on the South African economy, and more on what kind of industrial policy is needed within South Africa to take advantage of the opportunities that have been created. Greater attention is being paid to services such as telecommunications, energy, transportation, information technology, and banking because of the vital role that these play in determining South Africa's competitiveness. The agenda has also shifted towards competition policy and regulation of these industries, because of DTI's responsibility for the Competition Commission and because of the need for DTI to elaborate an industrial strategy as a number of these industries are in the process of being privatised.

This reorientation of TIPS research agenda seems entirely desirable, but it has a number of important implications. First, it means that TIPS will have to interact with other government departments in addition to DTI. Second, it will require that TIPS have access to specialised expertise capable of dealing with the intricacies of these specific industries. This kind of expertise is less likely to be found among academic researchers and will require TIPS to engage the services of industrial consultants from time to time.

A similar need will arise with TIPS's participation in the Export 20/20 project, which aims to develop a broad framework for export promotion and to catalyse exporting sectors of the economy into action by formulating clear strategies in key industrial and service oriented industries. Here there is a desire on the part of the private sector to pay more attention to micro-level issues such as tariffs, tax exemptions, credit guarantees, and targeted incentives for R&D, Management Information Systems, and other innovations deemed critical for international competitiveness. There is also a need by DTI for sector-specific expertise that can be drawn upon in trade negotiations. Again, this is likely to require the use of consultants. TIPS could help to serve as a conduit for accessing these consultants. But this would involve changing its role somewhat, with resulting management implications. At present it does not have this capacity.

Another important area on TIPS's research agenda is the Industrial Strategy Programme. DTI has identified gaps in broad economic information at the sectoral level, which need to be filled to

provide background to discussions dealing with sector strategies, favourable tax treatment, tariff applications, export processing zones, and other industrial strategy issues. The Industrial Strategy Programme will:

- Develop a framework to monitor sector activities;
- Investigate the role of size/class bias in DTI's industrial strategy framework;
- Examine the role of services; and
- Investigate the implications of changes in technology.

Two important components of this programme that have been proposed are (1) the Sectoral Scan Project, involving the development of a sectoral data base and information system at DTI, and (2) the on-going study of Industrial Strategy and the SMME Sector.

The Sectoral Scan Project is in some ways a follow-on to work done by the International Development Corporation (IDC), which created a database by 90 industrial branches that contained information on production activities within each branch and a number of key indicators related to output, employment, trade, and capital and other inputs. In addition, IDC used this database to generate forecasts of sectoral activity. The database became dated, however, with the introduction of new sector classifications and supply-use tables at Statistics South Africa (SSA). The Sectoral Scan Project will (1) update this information for the period 1970-1999 and (2) develop an interface between the sectoral indicators and the wider economy in order to calculate employment multipliers, investment functions, and similar empirical relationships. This information can then be used to analyse the impact of policies on different sectors, to forecast growth trajectories of these sectors, and to look at the consequences for a variety of key target variables, e.g. employment, balance of payments, rate of economic growth. This project will be highly useful to DTI and other government departments for tracking and forecasting the evolution of the structure of the economy and for analysing the impact of alternative economic policies. The only apparent issue is whether this kind of dataset should be maintained by TIPS or within DTI. This, in turn, may depend on the degree to which TIPS should become a quasi-public institution, financed in large part by the South African government – a subject to which we return in examining options regarding the future of TIPS.

The Industry Strategy and the SMME Sector project has as its goal the establishment of a more structured empirical foundation upon which to base policy decisions regarding SMMEs. This requires understanding how SMMEs contribute to economic growth, employment, and the distribution of income and how DTI policies can be adjusted to enhance this contribution. The study is possible, today, because a number of firm-level surveys have recently been undertaken that have the data required for this kind of analysis. This is a very important study because of the major role that SMMEs are increasingly playing in the global economy and because of the considerable contribution they can make to expanding employment.

The Global Economic Strategy Project (GESP) was initiated in 1996 by DTI to provide a strategic and analytical tool for identifying growing markets in which South Africa could compete. The proposal has been made for TIPS to strengthen the GESp to allow data manipulation on an ongoing basis for the purpose of determining changing trade trends and improving the analysis of global markets for South African exports. This project will have importance links with the industrial dataset described above as well as with the Export 20/20 project. Once again, this is a desirable endeavour, with the only issue being, as with the industrial data, where the dataset is to be maintained.

TIPS contributed substantially in the past to the analysis of the impact of the trade and development agreement between South Africa and the European Union. There is a continuing need to monitor this impact as the agreement goes into effect. TIPS is also providing DTI with substantial information as an input into bilateral agreements to strengthen trade relations between South Africa and a number of other trading partners in the developing world. It is anticipated that TIPS will continue to analyse and monitor trade relations with these countries or regional groupings of countries. For this purpose the Global Trade Analysis Project (GTAP) framework should prove very useful as a means of looking at broad, general-equilibrium effects on output, prices, employment, and government revenue. In addition, TIPS will also conduct detailed commodity-level analysis of the effects of these agreements on trade flows, trade creation and diversion, foreign direct investment, government revenue, and the macroeconomy. This will be especially important in identifying the sectors of the South African economy that are most likely to face early import competition and those that will be presented with early export opportunities. Here, it will be important to maintain a strong interface with the kinds of industry specialists that are needed, as noted above, for trade negotiations.

One issue of importance is the extent to which TIPS should orient its research agenda more in the direction of a focus on Southern Africa. TIPS is currently implementing a three year USAID-funded programme to develop and disseminate economic databases for Southern African economies in order to facilitate research around the issue of economic integration within Southern Africa. The programme has established links with a range of initiatives to study economic integration issues within the region. A Regional Symposium was held in September 2000 to introduce these initiatives to a wider audience of policy analysts in Southern Africa. Whether TIPS should move further in this direction is a critical issue, however, because TIPS's resources are very limited and these could become diluted by trying to cover research and training in a number of countries. This issue is discussed elsewhere in this report.

TIPS has also had a WTO trade agenda. The purpose here is to investigate the full range of WTO negotiation issues with varying depth and intensity, while focusing on those are likely to be most important for South Africa. A number of these relate to trade in financial, telecommunications, and transportation services – all areas in which the South Africa government is very much involved as part of its effort at privatisation and regulation reform. In addition, TIPS expects to go beyond the producer services sectors to include in its research agenda such areas as education and tourism. Again, the implication of this is the need for TIPS to relate to an increased number of government departments and professional associations, to expand its area of technical expertise, and ultimately to confront the issue of its size and level of resources.

The final area proposed for the evolving research agenda is to study the impact on the South African economy of the response of developed countries to the United Nations Framework Convention on Climate Change and the Kyoto Protocol. This will be done at two levels. The first will be an application of the GTAP model to look at the general equilibrium effects on international trade and the South African economy of the emission reduction commitments of Annex B countries contained in the Protocol. The second will be a qualitative assessment of responses to the Protocol by South Africa's major trading partners to see which sectors are likely to be affected most, which policies are most likely to be employed at the national and industry levels, and how exceptions such as the Clean Development mechanism might affect the results. It is the opinion of the evaluation team that this item on the research agenda has by far the lowest priority given all the other important projects that have been proposed. For one thing, there is little evidence the commitments of the Annex B countries are going to be honoured. The Protocol has not been ratified by most countries, and the United States, the most important contributor to global climate change, is currently trying to withdraw from the Protocol.

Furthermore, one can imagine many other applications of the GTAP model that should have greater priority. For example, the impact of global climate change in the absence of any concerted effort to prevent it. Or the general equilibrium effects of HIV/AIDS in Southern Africa.

3. *Execution of Research*

The execution of research by TIPS involves the formulation of specific research projects, the methodologies employed in those projects, the data sources used, and the process of feedback and approval.

3.1 Formulation and Implementation of Research Projects

The formulation of research projects is done in two broad ways. The more formal process is used for small grants and research for the Forum, where the amounts are R10,000 to R12,000 each. A list of areas in which research topics are invited is publicised, including its posting on the Web along with instructions regarding the preparation of proposals and a listing of the criteria used in evaluation. Relevance to policy need is one of these criteria, along with clarity of objectives and methodology and demonstration of clear value-added to existing research. Proposals are formulated by the researcher and are submitted to the Director. They are reviewed by an external reviewer, but the Director makes the final decision regarding which proposals to fund. Work-in-progress is reviewed by the external reviewer where possible. The final review is undertaken by the external reviewer, who is responsible for final approval of the study. Cases of dispute are resolved by the Director.

Larger research projects of R20,000 to R50,000 are often undertaken at the request of DTI or in consultation between the Director and DTI. The Director then prepares the terms of reference, if the research is well defined, and finds a qualitative researcher willing to undertake the research. If the research is not well defined, a short list of qualified researchers is prepared and they are asked to submit proposals. The proposals are sent to DTI staff for comment, but their response is not required. The Director then selects the proposal to be carried out. Review is less formal than for the small grants program, but a workshop is usually held in which there is feedback to the researcher. The Director conducts the final review and undertakes content editing. The paper is then approved and is copy-edited.

This process of project preparation, review, and approval has worked reasonably well up to now. However, it leaves the Director potentially open to charges of favouritism. If TIPS's range of research is going to be expanded along the lines set out above, there may be a case for instituting a more formal review process that would leave less authority in the hands of the Director. Such a review process might well involve review and approval by a small committee composed of researchers, policy makers, and other potentially interested parties.

3.2 Methodologies

The methodologies employed in the research are multiple, and it has not been possible for the evaluation team to review all of them. What we can say, in general, is that TIPS has placed heavy emphasis on strong methodological underpinnings for the research it has funded. Furthermore, the range of methodologies used has been wide, acknowledging that no single methodology is adequate for all purposes. Those that may be most sound from the perspective of rigour, such as computable general equilibrium models, may also be most demanding in terms of data and

empirical parameters, as well as most difficult to explain to policy makers. In other instances, judicious use of data manipulation and partial equilibrium analysis may yield results that are surprisingly robust and useful to policy makers. It is also important to recognise that methodologies apply not only to analysis but also to data assessment, sampling procedures, and introduction of technical structures and relationships.

There are a number of examples of the use of different methodologies that warrant comment, even if the range of these examples is far from complete in relation to all the research that TIPS has funded. One example is the work that has been done by TIPS and its associated researchers on “The Determinants of Investment in South Africa: A Sectoral Approach”. This is a very important study which presents to policy makers empirically estimated parameters linking important policy instruments,-- such as interest rates, tariff rates, and skill development policies -- with their impact on investment. The study uses a number of different methodologies, all of which are highly useful and relevant. Detailed descriptive analysis of sectoral variations in investment, for example, suggests that there has been a decline in the severity of distortions in South African capital markets and a greater reliance on market forces, resulting in more sustainable rates of investment. Econometric estimation of investment functions for the period 1970-97 was undertaken using panel data for the manufacturing sector as a whole and for a limited number of manufacturing clusters. This analysis shows the importance of capacity utilization and political instability in influencing the rate of investment, but also that of the real user cost of capital – an important policy variable, especially in South Africa where interest rates that have been kept high for balance of payments purposes have also had an adverse influence on investment. However, disaggregation into manufacturing clusters shows that only investment in the Fabricated Goods sectors has a statistically significant relationship with the user cost of capital. On the other hand, political instability has a strong negative effect on investment across all clusters. This is a very important example, because it is basic research that can have a continuing high payoff in terms of the ability of the researchers to respond quickly to policy makers needs simply by manipulating the policy variables in the econometric models (see section below on how the models could be improved and made more sector-specific through the acquisition of additional data).

Another example of good research, which relies less on strong analytical methodology than on the innovative use of primary data sources, is the paper by Anna Kesper on “Failing or not aiming to grow? Manufacturing SMMEs and their contribution to employment growth in South Africa.” The paper draws on recent surveys of established manufacturing SMMEs in three South African regions. The descriptive findings on their turnover and employment growth confirm unambiguously that the present manufacturing SMME economy is not likely to be an important vehicle for employment growth. The discussion of methodological considerations explicitly rejects the use of secondary data on SMMEs in South Africa and confirms the importance of using primary data from surveys.³ Moreover, the analysis includes an assessment of the degree to which the samples adequately represent larger populations and present potential problems of bias. Thus there is an emphasis here on sampling methodology rather than analytical methodology, an aspect which economists too often neglect. Furthermore, the author acknowledges that the quality of the data generated by the surveys allows for only a description of trends and tentative explanations of the reasons for these trends. Despite the lack of any sophisticated analytical methodology, the paper is filled with useful insights and hypotheses for further work.

A third example of innovative methodology is the paper by Christopher Hansen on “Regulatory change and competition in the South African electricity supply industry.” Here the innovation is

³ This has important implications for TIPS’s Industry Strategy and the SMME Sector project.

the use of interviews, literature review, and other techniques to gain a good understanding of how the industry works technically and what this implies for the transmission of monopoly power and performance from one level to another of generation, transmission, and distribution. As a result, the author is able to deal effectively with issues related to sunk costs, economies of scale, natural monopoly, cross-subsidisation, and service extension.

3.3 Data Sources

TIPS researchers use a variety of data sources, a number of which may be accessed through the TIPS Web site. One of the more important databases is the WEFA Trade Data, which contains detailed trade data over the period 1988-98, up to the 8-digit harmonised code system and 4-digit SIC level of product classification, to and from a large number of countries. This database also includes current tariff rates on imports of these countries. The WEFA EASyData System includes macroeconomic time-series data drawn from the publications of SSA and the South Africa Reserve Bank. A database is also available for the ILO Task Force's study on the social impact of globalisation in South Africa, which contains national data from 1993 to 1997 on production, investment, trade, employment and earnings, based on establishment surveys of the formal business sector. These data are presented for four main sectors, with manufacturing broken down to the 3-digit SIC level. Access to other data, such as the World Development Indicators and United Nations data, can be obtained by submitting online query forms that are available on the TIPS Web site.

TIPS is also working with the industrial database described above as part of the Sectoral Scan Project. One use for this database is econometric estimation of investment functions and other behavioural parameters, as described in the section on research methodologies. A constraint on this use is that the data are only currently available on an annual basis, and there are not enough observations to estimate parameters econometrically by sector. Thus for the investment study, the data were pooled at the cluster level to increase the number of observations. This assumes, however, that the parameter is identical for all sectors within a cluster, which may not be very accurate. This could be avoided if quarterly data were available. There is an effort underway to create quarterly data for the period since 1980 by making adjustments to the annual observations using separate information that is available on a quarterly basis. If successful, this will provide an important source of data for econometric estimation of sectoral parameters using time series.

It was noted earlier that the secondary time-series data produced by SSA and other government departments has very serious limitations when it comes to SMMEs. The Ntsika Enterprise Promotion Agency (Ntsika) has tried to overcome some of these difficulties by combining various data sources, but the amount of information that is available is still very limited and does not necessarily respond to the needs of policy makers. For example, DTI needs to know how its supply-side incentives are working to increase investment and employment by the SMMEs. This is impossible to determine with the data that Ntsika has produced. Research undertaken by TIPS on SMMEs must therefore focus much more specifically on using survey data. One possibility that has been proposed is to analyse the data from the enterprise survey recently undertaken in Gautang with financing from the World Bank. This study is strongly deserving of support. More broadly, TIPS should encourage greater use of the firm and household survey data that are increasingly becoming available to answer very specific policy questions.

4. Dissemination of Research

TIPS has a number of vehicles for disseminating its research results. These include the Annual Forum, conferences, workshops, monographs, working papers, articles published in the *Trade*

and Industry Monitor, articles published by journalists in the press, and other mechanisms. The TIPS Web site is also an important means of dissemination. In general, both the quantity and quality of dissemination are very good. On the other hand, there is a problem of linking the means of dissemination with the target audience.

The target audiences for this dissemination include senior policy makers and more junior policy analysts in DTI and other government departments, stakeholders within the South African economy, and academic and other researchers. These audiences have very different capabilities, time schedules, and interests. The evaluation team's discussions and observations underscore the need to tailor specific vehicles of dissemination for particular audiences.

For example, the Regional Symposium held in September 2000 had as its purpose the introduction of a range of regional research initiatives to a wider audience of policy analysts in South Africa and other countries in Southern Africa. It was also supposed to enhance the capacity of the research community in Southern Africa to respond to the needs of policy makers. As instructive as the Symposium was for researchers, there was very little effort to apply the models being discussed to specific policy issues. Nor was there much demand for this because few government policy analysts were in attendance. Even if they had been, the level of abstraction of the presentations was such that the analysts probably would not have seen the relevance of this research to their concerns. If this research is to be useful for policy makers, a number of things should occur:

- Government policy analysts need to be given basic instruction in how the models work and what kinds of questions they can answer. This has to be done at a level that they can understand. The instruction must be very carefully tailored to their needs and capabilities.
- Researchers working with these models must learn from senior policy makers what important policy issues concern them. The researchers must determine which of these issues can be investigated with the models and undertake these applications in a timely way, preferably in collaboration with government policy analysts.
- Once the results are available, they must be communicated to policy makers in a concise and effective fashion, which does not require too much technical expertise on the part of the policy makers.

Another example is the Annual Forum. This is an important event, bringing together researchers from all over the globe to focus on the problems of South Africa. It is a great opportunity for researchers to learn from each other. But it is less effective in speaking to policy makers. Styles of presentation are often very academic and lack the bite required by policy makers with limited time. For example, during the Forum 2000, many of the presentations were made using complex transparencies, with lots of numbers or formulas, that were very difficult to read. While the Forum was very useful for researchers, there needs to be a way of separating the more technical presentations for researchers from more streamlined, policy-oriented sessions geared specifically to policy makers. This could take place during the Forum or before or afterwards. Use of Power Point rather than transparencies is strongly encouraged because it forces the presenter to focus on a few key points. More generally, TIPS must consider a broader range of venues to target its different audiences more effectively.

With respect to written dissemination, there is more scope for flexibility because one can write for one particular audience in mind. Most of the working papers and journal articles appear to be written with the research community primarily in mind, though one would hope that some of

these would also read by government policy analysts. The articles appearing in the *Trade and Industry Monitor* are very useful summaries of longer research papers, but again are likely to be read primarily by researchers and a few analysts. What is lacking are policy briefs written specifically with policy makers in mind and organised around their concerns. These might be considered as the policy harvest of the more basic research. They could be accompanied by short Power Point presentations when the subjects are high on the policy agenda.

In the past TIPS has profited from the fact that many policy makers have had research backgrounds and have been both interested in and able to understand more complex technical presentations. This is a rather special situation in South Africa, due in part to the fact that many of those who were opposed to the apartheid regime remained within the academic world until the new ANC government came to power, at which point a number of them were called into government service. These policy makers remained interested in research as a guide to decisions that they were now required to make. Increasingly, however, policy makers are likely to come from backgrounds less steeped in academic research. They will probably have neither the patience nor the time for technical discussions of research methodologies. Throughout the world today, busy policy makers want written and oral presentations that are based on much more extensive research but that provide them in a concise fashion with what they need to know. TIPS needs to adapt to this changing environment.

Another need is for broad synthesis papers that pull together the results from a body of research and point to their implications for policy. These should be written from the policy maker's perspective and should ask the question of what can this body of research contribute to policy formulation. The research should not be confined to that funded by TIPS but should include all relevant research that is available. One can think of many possible topics. One that has already been alluded to is what does research on SMMEs conclude regarding the efficacy of incentives targeted to specific firms in comparison with broader incentives such as interest rates and tax incentives that impact firms indirectly, that is do not require interaction with and approvals by government officials.

Finally, as noted earlier, there is a need for dissemination to the broader audience of stakeholders and the general public. In the public debate regarding the many important policy issues facing South Africa, the voice of TIPS should be heard. For one thing, TIPS is not a government department and thus is freer to discuss these issues in a more objective fashion. For another, TIPS has access to and has commissioned research that has important implications for the debate. But this will require tailoring dissemination vehicles specifically for this audience. This could take the form of short articles for business magazines, op-ed pieces for newspapers, participation in television talk shows, and a number of other mechanisms. What is required for this audience, above all, is conciseness and clarity.

5. *Training and Capacity Strengthening*

As with research dissemination, there are a number of different target groups for training and capacity strengthening. These include government policy analysts within DTI and other departments within South Africa and, to some extent, in other Southern African countries. They also include senior policy makers, whose time is usually severely constrained. And they include the research community.

TIPS has a relatively well developed set of mechanisms for accomplishing this. These include Summer/Winter School courses, workshops and seminars, in-service training, and MS scholarships. The objective of the Summer/Winter School is to provide intensive teaching over

5-7 days on a topic that is of major concern to the policy-making community. Course convenors and teachers are drawn from the local and international research community. The target audience is policy makers from DTI and the broader research community. Past and planned topics include time-series econometrics, computer general equilibrium modelling, and the economics of regulation. The length of time spent in these courses and some of the topics chosen suggest that the target audience is more likely to come from the research community and include perhaps a few lower-level government policy analysts than to comprise many senior policy makers. Assessment of these courses also suggests that there is sometimes wide variation in initial understanding of the course material and computer literacy. Thus there is a need to define more carefully the target audience and to adjust admissions standards, course content, and style of presentation to fit that audience.

Workshops and seminars are conducted at frequent intervals and usually last one to two days. They are a vehicle for presenting research results, and therefore could be included with dissemination. However, they are listed on the TIPS Web site under Training and appear to have that function as well. An examination of the topics covered in these workshops and seminars suggests that they cover a relatively wide range of subject matter and level of difficulty. Once again, what is important is that the target audience should be clearly identified and the sessions should be organised accordingly.

TIPS has an MA scholarship in place which is aimed specifically at encouraging graduate students in economics to pursue an interest in international economics or industrial organisation. The purpose of these scholarships is to enlarge the pool of economists who pursue a career in a field related to trade and industry. TIPS awards scholarships of R25000 to R30000 to a student who is accepted at any South African university, with priority given to black students and women. Students must do any course work option on trade and industry and the thesis or long paper must be a related topic for publishing as a TIPS working paper.

Finally, TIPS offers in-service training for members of the Department of Trade and Industry and other researchers.

A recent survey of courses and capacity in South African universities in microeconomics and related areas advocated a strong role for TIPS in helping to strengthen these programs by offering short accredited courses and by co-ordinating a collaborative masters programme. In addition, the survey proposes that TIPS play a role in facilitating communication among university departments, between research organisations and departments, and between these and DTI. These objectives are laudable, but envisage a role for TIPS that we consider somewhat inappropriate. Undoubtedly TIPS has and will continue to help universities strengthen capacities to undertake research in trade and industrial policy. There is a great need for continuing strengthening in this area. However, TIPS's principal mandate should remain the effective application of such knowledge to public policy.

6. Recommendations

6.1 Future Directions for Policy Research

There appears to be substantial agreement that TIPS's research and training programme should be partially reoriented in new directions that are perceived by many to be vital for the South African economy. Much of the work on trade policy reform has already been done, and while there will be a continuing requirement to assist DTI in its preparations for trade negotiations – bilateral,

regional, and global via WTO -- there will also be a growing need to expand research, training, and capacity building in areas related to the competitiveness of the South African economy in the global economy and to how the disenfranchised within South Africa can participate more directly in that economy. This implies working in areas such as productive services (electrical power, telecommunications, transportation, finance), consumer services (tourism, education), competition policy and regulation, market expansion, industrial policy, and incentives for SMMEs.

One implication of this expansion and reorientation of activity is that there will be a need to go beyond the academic research community to involve private sector consultants with specialised knowledge of particular areas. TIPS could perform a very useful service to DTI, the Competition Commission, the Department of Public Enterprise, and other government departments by facilitating access to and contracting of the services of specialised expertise.

6.2 Closer Links with Policy Making

As will be discussed in section III of the report, TIPS's relationship with the DTI will need to be carefully more carefully articulated in the future. The Department's senior management generally appreciates that TIPS's value stems in large measure from its rigour, its farsightedness, and its autonomy. At the same time, however, TIPS must ensure that the research it supports is both rigorous and responsive to the needs of policy makers.

To achieve this balance, it is essential that TIPS not become another consulting firm required to come up with "quick and dirty" answers. TIPS's response to policy makers' needs should be based on solid background research that can then be drawn on to meet specific policy needs. This will involve the gathering of data and the development of interfaces between these data and the responses required by policy makers and analysts within government. These interfaces can take the form of:

- Databases in a form easily accessible to policy analysts and researchers.
- Models that can be manipulated to estimate the impact of alternative policies.
- Econometric analysis to determine the behavioural response of households and firms to alternative policies.
- Syntheses of research results that facilitate the application of the research to policy needs.

Such activities differ from the very focused, time bound tasks typically undertaken by consulting firms. To ensure that they remain well positioned to respond to the needs of policy makers, TIPS should sustain an ongoing dialogue with policy analysts in government. Also useful would be mutual collaboration in research. Analysts might be released from their other duties, occasionally, to work directly with the researchers, and researchers, in turn, might spend brief periods working within a government department. Finally, TIPS Director should maintain both his close contacts with and his independence from senior policy makers and the policy-making process.

6.3 Maintenance and Location of Databases

A key issue is the location of major data bases. At present, both DTI and TIPS maintain trade data bases, although these differ in the level of detailed product classification that is available. For reasons of cost and ease of electronic access, it would be desirable to consolidate the

databases in one location with the data being readily available to both TIPS researchers and DTI. TIPS could undertake this task under a long-term contract with DTI, which would provide assurances regarding the sustainability of this effort.

6.4 Targeting of Dissemination and Training

More careful targeting of dissemination and training is highly desirable. In each instance, the target audience must be carefully defined, along with the interests and capabilities of that audience. Announcements of workshops, conferences, publications, and other mechanisms for dissemination and training should clearly specify the target audience. Methods of presentation should be carefully geared to the target audience. The following are examples of types of targeting that might be undertaken:

- Policy Briefs – designed for policy makers; each brief focused on a specific policy issue of current interest; short accessible format.
- Policy Maker Presentations – designed for policy makers; each presentation focused on a specific policy issue of current interest; use of Power Point to avoid complexity and to facilitate access.
- Research Workshops – designed for researchers to discuss research results from a methodological and significance perspective; focus may be broader than the particular topic because of synergies that develop between different strands of research; style of presentation must be rigorous and clear.

Training Workshops – designed for government analysts; focused on a particular area in which analysts are required to work or be knowledgeable; presentation adapted to existing capabilities of analysts.

6.5 Importance of Using Varied Research Methodologies and Data Sources

To date, TIPS has encouraged the use of a variety of different research methodologies and data sources. This practice should continue. Each is appropriate to particular needs. In particular, the following observations are relevant.

- Research on SMMEs requires the use of survey data. Official statistics on the SMMEs are too fragmentary and inappropriate for analysing the major issues surrounding the SMMEs. Survey data are currently being generated on both households and firms that can be used to learn a great deal about how SMMEs respond to alternative government policies. As an example, they can yield important insights into the question of whether SMME incentives should be indirect (tax code, interest rate policy, regulation of the banking sector, etc) or direct in the sense that approvals for individual firms are required.
- Research on electrical power, telecommunications, transportation, banking, tourism, education, and other services, as well as on specific subsectors of industry, will require specialised knowledge of and data from these sub-sectors, which is unlikely to be available from general statistical sources.
- Detailed, disaggregated time-series data on trade, production, employment, costs, and other variables by sub-sector will be very valuable for forecasting trends, for predicting the impact of alternative policies, and for conducting econometric analysis for the purpose of estimating key policy parameters.

- Useful methodologies include the full range of descriptive analysis, statistical testing, econometric forecasting, partial equilibrium supply and demand analysis, input-output tables and social accounting matrices, and computable general equilibrium models. What is important is to understand the capabilities and limitations of each approach, and to assure that they are applied where appropriate with the policy issue foremost in mind.

6.6 Manpower Implications

If TIPS is going to expand its activities to include more research and training in the area of services, regulation, and competition policy, and especially if it is going to rely to a greater extent than in the past on the use of specialised consultants, there will be a need to add a professional staff member who can concentrate on these areas, including maintaining information on potential consultants.

III TIPS: Strategic Issues

In this section of the report, we identify trends and issues that should be factored into TIPS's strategic planning. We begin with an overview of TIPS's various "roles" as well as its different "interfaces" with various groups within and outside South Africa. We then derive conclusions and recommendations regarding future programming, budgeting, financing and restructuring.

1. Roles and Interfaces: Current and Prospective

TIPS's range of activities is captured through the matrix presented in table II.1. The columns set out various roles or functions. The rows identify what we term "interfaces", namely points of interaction where TIPS exercises these roles. The columns specify the kind of interaction in which TIPS might be engaged with respect to the interface in question. By working across each row (interface), we can obtain a more complete sense of TIPS's current activities and can discuss possible challenges and directions that should be considered for the future.

1.1 Roles

Investment in Research: TIPS invests in knowledge creation through grants to individuals. The ultimate aim of such investments is to inform the policy process.

Investment in Capacities: TIPS mounts short courses to strengthen skills essential for conducting good research or absorbing its products more readily. Another investment is monitoring and mentoring, especially of less experienced researchers, by TIPS's own staff, by other professionals engaged by TIPS, and through peer review at such gatherings as the TIPS Forum.

Facilitator: TIPS plays an important role in facilitating links in research, training and policy deliberation between the academic community and government, and among government departments with respect to public policy. By lowering "transactions costs", TIPS has greatly simplified the task of initiating surveys and exploratory inquiries, especially into new issues.

Filter/Amplifier: Filtering flows and highlighting information pertinent to researchers and policymakers has been a role earmarked for TIPS prior to its actual establishment. A well-executed filtering function helps identify good researchers and high quality output. TIPS has also highlighted upcoming issues and done so in ways not normally discerned by the bureaucracy.

Convenor: Should TIPS be “a place to look” for information and contacts on a specific issue? Beyond the filtering and highlighting of information is the ability to draw together key opinion shapers from academia, the business world, labour and government. Acting as convenor normally requires expertise and contacts on a limited set of closely related issues.

Agenda Setter: Beyond the role of “convenor” is the ability to actually help set the agenda on particular issues. To date, TIPS has not explicitly considered whether it should attempt to play this role.

1.2 Interfaces

The terms “interfaces” captures more accurately the venues, audiences, and clients associated with TIPS’s activities.

Department of Trade and Industry: DTI comprises the principal client – and audience – for TIPS supported research and training. What may be sometimes overlooked are TIPS other roles, notably that of facilitator.

Other South African Government Departments: Many of the issues on which TIPS supports policy research inevitably involves other government departments and agencies. These “interfaces” will expand and deepen as inter-government coordination on “real economy” issues, largely under the aegis of the DTI, is tightened in the future.

South African Academia: TIPS has supported policy research by South African academics, not only on issues identified by government, but also on others perceived as important by intellectuals within and outside the country. Also important to South African academia has been exposure to new methods and techniques and more sustained contact with leading international scholars in particular fields.

Non-Government Groups in South Africa: From the outset, TIPS was expected to help bridge gaps between government, and the DTI in particular, and labour and business groups with immediate and substantial interest in the content and outcomes of trade and industrial policies.

Southern African Region: Some TIPS initiatives have had a region wide purview, e.g. the GTAP model of trade flows. The TIPS forum has featured presentations by researchers based in the Southern African region. Whether and how TIPS should expand its presence in the region is becoming an increasingly pressing issue for its Board.

Global: TIPS’s formal association with the IDRC has had the positive benefit of linking TIPS with two other networks, on the Southern Cone (*Red Mercosur*) and on Latin America (*LATN*), dealing with many of the same issues. It has also promoted contacts with global projects, e.g. on trade and sustainable development.

1.3 Roles and Interfaces

a) The DTI

In the following section of the report, we look at each of these interfaces in terms of TIPS current roles. From this review, we identify issues that warrant deliberation by TIPS's Board since they bear on its strategic planning. Our principal observations, regarding both current activities and major issues, are summarised in the appropriate "cell", viz. role and interface, in table II.1 below.

TIPS's roles in servicing the DTI through knowledge that informs decision-making and activities that strengthen essential capacities have been discussed extensively in section II of this report. Here we highlight trends in research as well as other roles that TIPS can fulfil for the Department.

TIPS's investment in a database accessible to researchers in trade and industrial policy has been a far-sighted move, one that will contribute to other roles, e.g. as a facilitator for the DTI and to other interfaces, e.g. with global knowledge networks and with other government departments in South Africa. This activity will assume growing importance as the more general research and

Table II.1 Overview of TIPS Roles and Interfaces

	Interfaces						Roles					
	<i>Investor in Knowledge</i>		<i>Facilitator</i>		<i>Capacity Strengthening</i>		<i>Filter& Amplifier of Knowledge</i>		<i>Convenor</i>		<i>Agenda Setter</i>	
DTI	Data base development		Provides linkages between DTI and academia		Short courses, summer program, scholarships		Role as filter will remain important		Incipient role via TIPS Forum		Indirectly beginning to lead parts of some agendas e.g. on regulatory issues, competition	
<u>Current</u>	Commissioned studies				Hands on training in data base							
	Expanding research on investment, trade, competitiveness, competition											
	Continuing research on trade and trade policy											
DTI	<i>Surveys (with Chief Economist et al.) on new economy, innovations, incentives</i>		<i>TIPS effectiveness in facilitating academic linkage depends on perception of autonomy</i>		<i>Use internships to bring in students at MA level into departments for short periods</i>		<i>Some of earlier functions will be handled by Chief Economist in terms of facilitating data and information flows in DTI</i>		<i>Possibly play proactive convening role for Minister on selective issues e.g. competition policy and/or others</i>		<i>In general TIPS should be concerned with informing rather than forming policy</i>	
<u>Issues</u>	<i>Reactive v. Proactive</i>		<i>Translation of research into policy increasingly done internally by DTI</i>		<i>Could TIPS be used as modality to facilitate executive interchanges at middle level?</i>		<i>Amplify key issues not typically picked up by bureaucracy</i>					
	<i>Intellectual property rights over commissioned studies</i>		<i>Continuing importance of data base</i>									
	<i>Cost of sector, firm level research. Possible partnerships with sector associations?</i>		<i>Collaborative role with new Chief Economist Office</i>									

Other Government Agencies and Departments: <u>Current</u>	Financed studies helpful to competition commission, regulatory agencies (ICASA), Dep't of Public Enterprises	Catalyst for Department of Labour, Competition Commission	Seminars, workshops, course in Competition policy and econometrics	Highlight upcoming issues, esp. international ones.	Has helped showcase field and relevant topics in competition policy
	Surveys e.g. industrial organisation, labour	Bring in good people; avoid "big country" syndrome Competition Commission: TIPS as interface between regulatory bodies and academic community. TIPS as key facilitator on real economy across gov't departments, but must be seen as relatively independent. Bringing in good people from outside. Very important to avoid "big country syndrome"			
Other Government Agencies and Departments: <u>Issues</u>	<i>Surveys of international best practice; exploratory studies</i> <i>Invest more in labour and employment studies?</i>	<i>TIPS can facilitate links with academia and links across government departments on "real" economy</i>	<i>Continue to respond selectively to new demands</i> <i>Cost recovery for courses: demands v. needs</i>	<i>Cross link trade with competition, competitiveness</i> <i>Develop other smaller groups alongside Forum</i>	<i>Backstop CC role in "regulating regulators" through periodic workshops</i> <i>Possible role in trade/competition/regulatory policies linkages</i>
SA Academia: <u>Current</u>	Support for surveys and initial explorations of issues, methodologies, concepts & application to policy Examples: Employment, telecom regulation, services, industrial organisation, competition policy	Case of regulatory economics and UCT. Helps gov't identify good people. Low transaction costs in engaging academics and generally in linking back to universities Departments have own linkages e.g. on labour issues	Short term courses in new methods		

SA Academia: <u>Issues</u>		<i>Exaggerated fears of “crowding out”. UCT Economics examples</i>	<i>Special role with schools of government?</i>		<i>Can provide specialised fora on inter-disciplinary basis, e.g. with trade law</i>
		<i>Future linkages between trade and law: Wits and UP</i>			
SA Non Government: <u>Current</u>		<i>Role in informing business, labour either via government or through academia</i>		<i>Key role in highlighting issues. Has laid excellent foundation for future</i>	
SA Non Government: <u>Issues</u>	<i>Possibly manage commissioned studies on specific issues, or collaborative research</i>	<i>Must build up informed constituencies. In DTI’s interest for TIPS to be seen as autonomous</i>	<i>Promote paying participants for selective courses, e.g. competition policy</i>	<i>Must greatly expand outreach via business press, media and presentations at outside meetings</i>	<i>Possibility of acting as “honest broker” on selective issues</i>
Region: <u>Current</u>	<i>Spill over of SA knowledge, e.g. in ownership/competition policy and surveys</i>	<i>Network and publication provide benchmark for quality and access to go people</i>	<i>Participation of regional SSA policy makers/researchers in TIPS workshops</i>		
	<i>Regional CGE trade model Periodic papers on and from region</i>				
Region: <u>Issues</u>	<i>Have separate initiatives, e.g. SATN but use TIPS as convenor disseminator, mentor</i>	<i>Key role for TIPS in providing neutral venue within region Possible support/link to restructured SADC Secretariat</i>		<i>Major role in monitoring “deep integration” efforts and research elsewhere</i>	<i>Possibly via revamped SADC Secretariat in certain key areas</i>
Global: <u>Current</u>	<i>Collaborative research with TEC global projects and others</i>	<i>Provides access to SA and Southern African scholars</i>	<i>Raises quality of research in SA through local participation in global networks and projects</i>		
Global: <u>Issues</u>		<i>SA “butterfly” strategy. Strengthen intellectual links with Nigeria, Mercosur</i>	<i>Future collaboration with some donors e.g. WBI on training: full cost recovery required</i>	<i>Expanding role in monitoring global knowledge flows and linking them to SA</i>	<i>Possible role in yet to be defined issues.</i>

associate database activities of the Industrial Development Corporation of South Africa are wound down as part of its overall restructuring.

As more than one informant has suggested, TIPS will be breaking new ground in intensifying research bearing on industrial policy. In particular, its movement away from the currently strong focus on trade reflects the completion of major negotiations with the European Union and the continuing implementation of existing trade policies. Undoubtedly demand for research on trade policy will continue since new issues will undoubtedly emerge. However, the principal thrust, in terms of new topics, and associated skill enhancement activities, will be in such areas as investment, competitiveness, competition and regulatory policies, and services.

Much of this work will require considerable up front investment in data collection. Such investment is typically costly and time consuming. A key question confronting TIPS's Board is the commitment that TIPS should make to firm and sector level research, in terms of the magnitude and duration of its support. In principle, where data collection is expensive and lengthy, the investment should be financed by the DTI and associated government departments. Where feasible and desirable, relevant private business associations could also provide some support. In return, TIPS could agree to scrub, collate and update this information within its broader database. In so doing, TIPS would be strengthening its other interfaces, notably with other government departments and South African academia. This role is also consistent with TIPS's broader mandate of providing "public goods", in the form of information, knowledge and skills, in return for untied public sector support coming – at present – from the international donor community and the IDRC in particular.

Restructuring and further strengthening of the DTI itself will necessarily entail changes in some of TIPS's roles. As operations oriented research, initially on the trade side of the Department and subsequently on the industry side, begins to take root, the units in question will start undertaking short-term studies that previously might have been conducted through TIPS. Likewise, the recently established Office of the Chief Economist will conduct surveys that previously might have been handled through TIPS. Nonetheless, we concur with the majority of our informants in concluding that there will remain, over the next five years, a considerable amount of policy research that will have to be undertaken outside the DTI. Furthermore, TIPS's broader network of experienced professionals can play a valuable role in monitoring and mentoring research being conducted inside the DTI.

Two aspects of TIPS's interface with the DTI warrant further discussion. How they are resolved will shape TIPS longer-term relationship with the Department.

The first concerns the extent to which TIPS should adopt a "reactive" or "proactive" role in initiating policy oriented research. Effectively the question is one of maintaining an appropriate balance between the two. Many research projects undertaken by TIPS will necessarily be "reactive", responding to specific requests thrown up by the policy process. Nonetheless, as evident from TIPS's research activities to date, there is considerable need, as well as scope, for TIPS to be proactive, to anticipate upcoming issues and define them in ways not usually characteristic of a government bureaucracy. One such example has been TIPS's far-sighted identification of competition policy *and* the regulation of providers of key economic infrastructure services, notably power, water, transport and telecommunications, as strategic topics for policy research. Senior officials in the DTI do recognise and appreciate that the broader latitude enjoyed by TIPS is to the Department's advantage. TIPS's Board and Management should echo this stance strongly at appropriate intervals.

The second issue concerns TIPS's role in sub-contracting research to consultants on behalf of the DTI. Considerations of equity, access and fairness have prompted a major overhaul of government procurement procedures. These in turn have raised the "transactions costs", especially in terms of lead-time and process, associated with awarding consulting contracts. In this context, TIPS has been able to assist the DTI by commissioning, on its behalf, important studies as well as engaging professionals to perform specific tasks. Over time, the funds for such activities must come increasingly from government sources. Should TIPS be prepared to facilitate such activity, e.g. by managing a fund on behalf of the DTI and if so, on what terms and conditions?

Over the next few years, the DTI must begin underwriting an increasing share of TIPS's policy research. Understandably, it will want to exercise control over its "investment", not only in defining the terms of reference of the studies in question, but also access to actual output. Were the DTI to adopt this stance, it would lose the more substantial – in our view – benefits of the "public goods" associated with TIPS's other roles and interfaces. One such interface is TIPS's close link with South African academia. To a large extent, it is founded on academics' perception of TIPS's autonomy and objectivity. This perception and indeed the relationship itself could be fatally compromised if TIPS were to evolve into a conventional contractor of research for the South African government. Likewise, the DTI would lose the benefit of the considerable goodwill that TIPS has created in other agencies and departments such as the Competition Commission and Finance, with whom the DTI must interact on "real economy" issues. Articulating and promoting this broader view of TIPS's interactions with and advantages to the DTI should remain a priority for TIPS's Board.

In operational terms, this relationship can be more precisely defined and in ways that safeguard TIPS's autonomy. The first is by providing explicitly for an arm's length review of research proposals above a given amount and duration. This process could still accommodate the DTI's need to commission "quick and dirty" studies, namely the type of short-term research that TIPS has greatly facilitated in the past. At the same time, however, the Director and staff of TIPS would be sheltered from any undue political pressure and also remain assured, in the case of longer term efforts, that the proposed work satisfies professional norms for rigour.

The second, which in our view warrants urgent attention, is clarification of intellectual property rights over research products. Where the DTI, and for that matter any other "financier" of a project, wants to restrict access to the results on grounds other than statistical confidentiality, its relationship with TIPS should be treated as strictly commercial. In such cases, TIPS should be viewed as a contractor, managing an activity on behalf of a client. Consequently, both TIPS and any subcontracted researchers should be recompensed at commercial rates and the relationship with the DTI (or any other client) should be the subject of a formal contract. This procedure satisfies two needs. First, it clearly indicates what TIPS activities fall within the domain of a "public good", as opposed to a commercial relationship. Secondly, it still allows the DTI to take advantage of TIPS's facilitating role to reduce substantially the transactions costs entailed in contracting services.

Our final observation concerns TIPS's roles as a "convenor" and as an "agenda setter". Through its highly innovative application of information technologies, and its website in particular, and by virtue of its proactive research, TIPS has begun to play the role of "convenor" on certain policy issues. Its annual forum has become a major event in the calendars of senior officials and professionals, not only for discussing items listed on the agenda, but for more general "networking" as well. From such interactions, we foresee an emerging TIPS role as the convenor on specific issues, e.g. on regulatory and competition policy. TIPS's Board and Management should remain open to such possibilities. In contrast, TIPS should be wary of becoming an "agenda setter". This role, which entails policy advocacy and formulation, would be inconsistent with TIPS mandate of

informing policy, and would undermine TIPS's other interfaces with government departments and agencies and South African academia.

b) Other Government Departments and Agencies

TIPS's focus on trade and industrial policy has inevitably led to interactions with other departments involved in "real economy" issues. The TIPS Forum of September 2000 highlighted employment, an abiding concern of South African policy makers. The Departments of Labour and Finance have their own research networks outside government, including professionals at the Rand Afrikaans University, Witswatersrand University, and the National Institute for Economic Policy (NIEP). TIPS has expanded its contacts with these and other research groups in South Africa, broadening the approach toward analysing various issues and greatly facilitating links with leading international experts. Not least has been smoother communication across department boundaries within government itself.

Of particular note has been work on competition policy. It commenced with a survey conducted by a South African specialist in industrial organisation theory, who subsequently became the lead Economist for the Competition Commission. This initial effort also featured a short methodological course as well as commissioned papers on different sectors of the economy. Some of the researchers span academia and government, continuing to teach and conduct research, but also working directly with the Commission on a part-time basis. Aside from investment in knowledge and skills, TIPS's roles have included a filtering of existing information and facilitation of links with international scholarship.

TIPS's involvement in competition will likely intensify in the future. A major motivation will be the priority assigned to diversifying South Africa's economy and raising its competitiveness internationally. In this context, competition will be important, as confirmed most recently by government strengthening of the mandate of the Competition Commission. Its mandate has also been broadened to include oversight of the practices of regulatory agencies, since these affect productivity and competitiveness through the quality and cost of essential economic services, notably power, water, transport and telecommunications. Liberalisation and/or concessioning/privatisation of state owned monopolies supplying these services will be closely associated with effective regulation reflecting government's policy priorities. Ensuring consistency among these different bodies has been assigned to the Competition Commission. It perceives major facilitating and convening roles for TIPS at the intersection of issues bearing on competition, competitiveness, and regulation. In our view, this challenge is consistent with TIPS's mandate.

A greater emphasis on research bearing on industrial policy will entail intensified activity in three other areas. The first, mentioned above, is expansion of the database. It should include information obtained from firm and sector level research. The second will be various courses in methodology and techniques for researchers in academia and government. An important question for TIPS is whether such courses should move toward cost recovery. In our view, there is no cogent reason why participants sponsored by government departments should not be charged the full (marginal) cost of a course. Doing so would also pressure TIPS to provide a well run and relevant program. A third is more specialised gatherings beyond the annual forum, allowing researchers to interact with policy makers and key groups outside government on specific issues.

c) *South African Academia*

Since its inception, TIPS has enjoyed a close, mutually supportive interaction with South African scholars based in the country's leading universities. For them, the past five years have featured uncertainty and major changes, both with respect to public policy toward higher education and far-reaching corporate re-engineering. Fortunately for the universities and TIPS, the threatened explosion in undergraduate enrolment has not occurred, albeit for the disconcerting reason of poor and even declining standards of pre-university education. For good academics, TIPS has provided an entrée into policy research; offered opportunities for peer review; facilitated contact with policy makers; and expanded links with international scholarship. For more junior scholars, there have been opportunities to upgrade skills and knowledge. At present TIPS is perceived – positively – as enjoying privileged links with the DTI and government, but as still retaining its ability to act autonomously. We strongly urge that this relationship be sustained for the mutual benefit of the government, academia and TIPS itself.

We highlight two other issues. The first relates to the question of inter-disciplinary research, specifically the inclusion of law alongside economics in some projects. In such fields as competition policy, legal issues will often shape the research agenda. Conversely economics can inform legal practice, e.g. by giving operational meaning to such key concepts as the “market” for a particular product or service. To date, policy research supported by TIPS has tended to treat work undertaken within both disciplines in a compartmentalised fashion. As TIPS moves more intensively into research focusing on competition policy and related concerns, it should explore ways of integrating these separate approaches.

In this context, we note initiatives aimed at establishing regional graduate level programs in trade, commercial and regulatory law at South African universities including Pretoria and Witswatersrand. Parallel with these has been a move to set up a trade and regulatory economics speciality within the graduate economics program at the University of Cape Town. A similar specialisation in trade and regulatory law is being considered for the graduate public administration program offered through the Graduate School of Public and Development Management of Wits University. Such programs will add to the currently inadequate number of specialists in both academia and government, not only within South Africa but elsewhere in Africa. For TIPS the programs offer an excellent opportunity of facilitating policy relevant research.

In meetings at the University of Cape Town, those promoting the newly established “trade and regulatory economics” specialty of the MA program in economics stated that they were seeking to become “the TIPS” in their field. This remark unwittingly betrays an underlying fear that TIPS, by its very success, may have been “crowding out” university based research, either by monopolising available funds or by controlling access to them. Factually, neither suspicion is accurate. Good university based academics have access to many other sources of support including both tiers of government, donors, foundations and for the more entrepreneurial minded, the private sector within South Africa. TIPS's management has also been aware of the dangers associated with a de facto role of “gate keeper”. It has deliberately encouraged participation by professionals spanning a wide spectrum of views. Nonetheless this seemingly innocuous remark made at the UCT does betray a lack of clarity concerning TIPS's own roles and mandate, as well as confusion over the very different functions fulfilled by academic research conducted at universities and policy research supported through TIPS. Hopefully our delineation of TIPS's own roles will help dispel any misunderstanding. To the extent that TIPS can facilitate academic based research, e.g. by drawing

university scholars into good global knowledge networks, it will strengthen its links with South African academia generally.

d) *Non-Government Groups in South Africa*

TIPS's management has expressed concern about the lack of representation of key groups outside government and academia at such gatherings as the annual forum. In part, their non-appearance could have been anticipated. Unless the issues in question focus directly on their own immediate concerns, members of these groups are unlikely to spend up to three days in a meeting that will be devoting the majority of its time to other issues. Conversely, non-government and private sector interests can be attracted more readily to small gatherings focusing on a tightly defined topic of immediate interest and featuring the participation of senior policy makers. Hence, TIPS should systematically consider how best to develop this "convening" role in terms of topics and audiences.

TIPS's investment in data and website has laid an excellent foundation for expanding links with the private sector. However, it must be more aggressive in "marketing" its products and services by offering, for example, to make presentations on particular issues at the key gatherings of business associations and unions. Likewise it should expand its currently well-regarded contributions to the business press.

As these links develop, TIPS can explore possible collaboration in its other roles. For example, one might be collaborative research with business associations on factors affecting competitiveness in particular products, services and sectors. Another could be short executive courses, with content suitably adjusted to business concerns and offered on a full cost recovery basis, on international developments that might affect South African enterprise. Such focused interactions would expand TIPS's facilitating and convening roles.

e) *The Southern African Region*

Partly because of its perceived success, TIPS has been subjected to growing pressure to expand its involvement in the Southern African region. Two underlying factors warrant mention. The first has been the recent restructuring of SADC. The practice of assigning "portfolios" to the bureaucracies of country members has been terminated. The sector units in each country will be wound up and their functions transferred to the SADC Secretariat. How the Secretariat will be organised, strengthened and financed to fulfil these additional functions, as opposed to co-ordinating the work of units located in national bureaucracies, has yet to be determined. Nevertheless, TIPS should anticipate growing demand from the Secretariat and some country members of SADC for more direct leadership in research into "real economy" issues. Some form of involvement by TIPS would be consistent with South Africa's strong endorsement of the recent restructuring. The second, as noted earlier, is a need for many donors to justify support for South African based organisations in terms of broader benefits envisaged for the region as a whole.

Senior DTI officials have expressed very strong reservations regarding TIPS adopting an explicit mandate for the region. It will, they contend, inevitably blur its valued focus on South African policy concerns. Any advantage offered by comparative analysis would be outweighed considerably by failure to examine issues in ways that address the very specific concerns of South African policy makers. Ironically, some researchers in the region have expressed analogous reservations. They fear that participation in a network dominated by South African concerns will relegate their own work to much lower status in terms of peer review and mentoring.

In effect, the fears expressed on both sides may be exaggerated. Further, both sets of concerns are amenable to creative solutions. We begin by noting that a totally separate Southern African network on trade and industrial policy, as has been proposed by the IDRC, will not prove sustainable in intellectual terms. The more accomplished researchers will want to participate in the TIPS network, to obtain high quality peer review, access to international scholarship, and a higher professional profile. Indeed, were TIPS to follow many of our own recommendations, it would quickly become “the place to be” in the region as well as South Africa, for deliberating policy issues with leading figures in government, academia and the private sector. A totally separate Southern African network would quickly be perceived as a “second division” or “minor league” effort. The region’s policy makers, both in national governments and through the SADC Secretariat, would question its credibility. Failure of an effort designed to accommodate interests outside South Africa would not benefit TIPS or the DTI since it would simply increase pressure for opening up TIPS to Southern African issues as well as to researchers and policy makers from the region.

There are, however, roles that TIPS can develop within a regional interface without prejudice to its interface with the DTI. There is no reason why it cannot *facilitate* policy research through small collaborative efforts, backstopped by more accomplished scholars in South Africa and the region. Likewise, TIPS could provide technical assistance and guidance in outreach activities, including the application of information technologies and communication via the business media. Its website could serve as a portal, namely as a point of entry to researchers and research institutes in the region. Many of these tasks, as well as the monitoring of research and provision of short term training, could be administered on a decentralised basis, through contractual agreements with research institutes and consults in the region. This pragmatic, heuristic approach would avoid blunting TIPS’s sharp focus on South African issues, but still accommodate legitimate regional interests in creative and efficient ways.

f) *Global Interface*

In our introductory section, we note that TIPS’s close ties with the IDRC’s Trade Employment and Competitiveness (TEC) Program Initiative (TEC) has facilitated links with other IDRC supported projects, especially two networks dealing with regional integration in the Southern Cone and Latin America. TIPS has also been involved, through the person of its Director, in the Global Knowledge Network coordinated by the World Bank. In general, this global interface will prove beneficial, offering South African scholars – and officials – an international perspective on their concerns as well as norms for informally assessing the quality and rigour of policy research supported through TIPS. This interface will also help South African officials and scholars to avoid what we would term “the big country syndrome”. For some large economies, such as the USA, Russia, Brazil, China, India, Japan, Nigeria - and South Africa, there is a tendency that, if left unchallenged, will lead to parochial perspectives on issues, research and public policies. Essentially regional and international issues will be viewed from a largely national optic. Because of years of imposed economic boycott and intellectual isolation, South Africans have – thus far – tended to be open to, and indeed actively sought out international ties. Although there may be no immediate danger of a “big country syndrome”, an active international interface by TIPS will help prevent it from becoming overly influential in research and policy circles.

Within this global interface may emerge opportunities for TIPS to assist South African policy makers. One such case is the so-called “butterfly strategy”, exchanges among some large, middle income countries, in particular Brazil, Nigeria, India and Egypt that intend to play a more prominent role in major international venues, notably the WTO, both in their own right and as leaders of regional groupings. Through its links to international and regional networks, TIPS may be able to facilitate these exchanges in various ways.

2. Other Issues

With the pending closure of the IDRC's Johannesburg office and TIPS's own change in legal status from an IDRC program to a fully autonomous South African NGO ("section 21 company"), there will ensue major changes in "governance". Over the coming months, TIPS's must devote time and resources to formulating procedures for grants, personnel, administration and financial control; to preparing by-laws; and to restructuring its Board in order to comply with South African legal requirements. These changes are the subject of other studies. In this section, we consider how our preceding observations and recommendations might bear upon these and other related issues.

2.1 Governance

Currently TIPS's Board is loosely structured, allowing for representation from its financiers, a principal client (DTI), and local and international expertise. As a section 21 company, TIPS's Board will have formally articulated responsibilities. Among these will be the approval of executive appointments, an annual program of work and budget, the annual audited accounts, by-laws, operating procedures and longer-term policy. In our view, such decisions should only be taken by representatives of those agencies that have taken an "equity position" by contributing a minimum amount in *untied* funds. This practice introduces a clear line of accountability between TIPS's management and its backers. Inclusion of other parties will obfuscate this relationship. It can also lead to a conflict of interest where the other Board members are potential grant recipients.

Representatives of non-financial interests have proven extremely valuable to TIPS's management in the past, tendering advice based on years of experience. They should continue to participate in TIPS's "governance" but within a separate Scientific or Advisory Committee. As the title suggests, their role would be strictly "advisory". Furthermore, they would focus on substantive issues and not deal with questions of money, personnel or procedures.

Because of the paucity of good people, excluding members of an Advisory Committee from direct involvement in TIPS activities would be unwise. Forced to choose between the two, good professionals would decline to serve on the Committee, thereby depriving TIPS's management and Board of their counsel. The problems associated with a conflict of interest can be avoided by two measures. The first is payment of an annual retainer to members of the Advisory Committee. Part of it can be reduced when the Committee member is also receiving an additional payment, e.g. in conducting research or providing training services. Secondly, the Committee member would be excluded from discussions of activities in which s/he is materially involved.

Elsewhere in this report, we have underscored the importance of ongoing monitoring of research in terms of its relevance and rigour. In-house staff can undertake part of this task. Their efforts, however, will need to be reinforced as TIPS expands the volume and breadth of its research and other roles. To this end, we recommend appointments of Senior Associates and Associates. As recognised scholars in their respective fields, Senior Associates could serve as directors of more specialised research programs and help mentor more junior scholars. TIPS Associates would also be retained to help review proposals and ongoing research.

TIPS's own secretariat will require some restructuring in anticipation of expanding roles and interfaces, as well as the forthcoming change in legal status. High priority should be assigned to appointment of a Chief Operations Officer, directly responsible, under the Director, for daily

administration and financial operations⁴. To cope with expanding responsibilities, including fund raising, outreach and Board relations, as well as a broadening gamut of interfaces and roles, the Director should be supported by an Executive Assistant.

TIPS's appointment of a full-time senior professional to maintain and manage the database, and to directly manage research and training on most trade policy issues, has proven timely and effective. The same observation applies to the Webmaster. To these TIPS should consider adding the part-time contracted services of an expert on media and communications. This individual could undertake a variety of tasks, including responsibility for the preparation of policy briefs, various outreach activities, and raising TIPS's profile generally among key clients and audiences. A similar arrangement may prove necessary as TIPS expands its "facilitating" and "convening" roles within South Africa and the region. With respect to research, we would advise caution in increasing full-time in-house positions. TIPS should first consider other possibilities, in particular the appointment of Senior Associates and Associates. The one exception might be a professional charged specifically with handling the regional interface. Even in this case, however, TIPS should consider the possibility of jointly financing the appointment with the SADC Secretariat, if it could be arranged on appropriate terms and conditions.

2.2 Transition in Leadership

Much of TIPS's success to date can be attributed to the leadership of Dr. Rashad Cassim, the current Director. He has been highly successful in cultivating close ties with government and the academic community, whilst maintaining TIPS's reputation for rigour and independence. Also important has been his policy of inclusion, of facilitating access by professionals expressing widely divergent views. His continuing involvement in research has provide a useful "role model" for more junior professionals and helped strengthen TIPS's interface globally and regionally. Especially valued has been his instinct for detecting upcoming policy issues, identifying local talent, often latent or overlooked within South Africa, and initiating important exploratory work.

His eventual replacement, as and when he moves on in his professional career, poses a major concern for TIPS's incoming Board. Indeed, TIPS's longer-term sustainability depends on a successful transition from its founding figure. To this end, the Board should begin, in collaboration with the Director, to set out a desired "profile" for his successor as well as other measures that will ensure a smooth transition. These should include a period of overlap between the outgoing and incoming Directors and a sabbatical period, if so requested, to provide the current Director an opportunity to write up research and generally "recharge his batteries". Regarding the position itself, we strongly advise that it not be restricted to a South African or Southern African national. TIPS warrants the best possible leadership. Hence, recruitment of its Director should be international. Where candidates are equal in all other respects, preference could be given to a South or Southern African national.

2.3 Financing Strategy

We understand that a financing strategy for an autonomous TIPS will be the subject of a separate study. Our own comments focus on the implications of our preceding observations and recommendations.

Direct support by the DTI will eventually become a precondition for TIPS's continued existence, at least in its current form, as an NGO focusing on trade and industrial policy concerns with a

⁴ The COO should not, however, have cheque signing authority

privileged, but independent relationship with those government departments and agencies, and the DTI in particular, that are concerned with the “real side” of the South African economy. DTI funds, in our view, should come through three distinct “windows”. The first is untied, general support to help underwrite the cost of TIPS’s overall operations. The second is assistance linked to specified activities, including research, gatherings, and skill development. The third would be a fund for short-term consultancies, so that the DTI can continue to enjoy low transactions costs by funnelling such activities through TIPS. As noted earlier, procedures governing this arrangement would have to be approved by TIPS’s Board, and ensure that it does not impinge on TIPS autonomy, mandate and other activities.

For other financiers, we recommend that TIPS offer the first two windows, with strong preference being assigned to the first one. As noted earlier, a minimum contribution of untied core funds should be a precondition for membership in TIPS Board. This practice will underscore the necessity for core support so that TIPS retains its current character. It will also prevent “free riders”, namely donors only willing to cover the marginal costs of an activity rather than their fair share of TIPS’s other fixed costs. For the same reason, TIPS’s Board should adopt policies about covering TIPS’s real costs in running a program or co-financing an activity. The IDRC practice of levying an overhead of 10% is totally unrealistic. From our own experience, we would suspect it entails a high degree of subsidisation. In all likelihood, an overhead of at least 20 to 25% will be needed to cover TIPS’s real costs. In any event, there should be a detailed analysis of the costs associated with running different types of programs and a policy for covering them.

2.4 Modalities

Modalities comprise the instruments used by TIPS to implement its activities. We propose some changes consistent with recommendations made elsewhere in this report. High priority should be assigned to formalising procedures for research grants. Those below a certain level or duration could be subject to an abbreviated review and issued upon the approval of the Director or possibly even a Senior Associate. To ensure transparency, objectivity and rigour, grants in excess of this minimal amount should be the subject of a formal, arm’s length review. Procedures, which should first be approved by the Board, need not be “transactions intensive”. They could, for example, allow for review by e-mail on an ongoing basis. TIPS should also ensure that *all* grant applications, and unsuccessful ones in particular, are fully and systematically documented, not only to reinforce TIPS’s reputation for fairness and objectivity but, in some instances, to comply with the procedures of contributing donors.

With respect to training grants, we reiterate our earlier recommendation that TIPS, wherever feasible, recover some and eventually all costs. Even where TIPS has agreed to absorb the cost, the trainee or sponsor should first be “billed” and then given a grant to cover it. This practice will underscore the value of TIPS’s support and prepare clients for the eventual introduction of a cost recovery policy.

TIPS will need to expand its range of grants, and hence procedures for approving and monitoring them, as it intensifies its various roles and interfaces. Such grants might cover, for example, the costs entailed in presenting research findings to professional meetings and the financing of gatherings of researchers and policy makers.

2.5 Financial Reporting

With growth in activities and modalities will arise a need to review TIPS budgeting conventions. In this regard, we strongly advise a carefully designed accounting system, able to comply with the

reporting requirements of different donors. It must also provide TIPS's management with timely accurate information on expenditures, revenues and cost effectiveness. With respect to reporting conventions, we strongly urge inclusion of a category entitled "program management". As opposed to "administration", it will more accurately reflect the costs of professional services specific to the activity in question.

3. Principal Recommendations

We conclude with our principal recommendations.

3.1 Interfaces

a) The DTI

Two aspects of TIPS's interface with the DTI warrant further discussion. The first concerns the extent to which TIPS should adopt a "reactive" or "proactive" role in initiating policy-oriented research. Many research projects will necessarily be "reactive". Nonetheless, as previously noted in section II, there will be a considerable need, as well as scope, for TIPS to be proactive in anticipating upcoming issues and defining them in ways not typical of government bureaucracy.

The second is TIPS's role in sub-contracting research to consultants on behalf of the DTI. In operational terms, TIPS's relationship with the DTI can be more precisely defined and in ways that safeguard its autonomy. One is by providing explicitly for an arm's length review of research proposals above a given amount and duration. The second is clarification of intellectual property rights over research products. Where the DTI or any other "financier" of a project wants to restrict access to the results on grounds other than statistical confidentiality, its relationship with TIPS should be treated as a strictly commercial one.

Finally, we observe that TIPS could expand its roles as a "convenor" and "agenda setter". Regarding the former, we do foresee an expanding role, e.g. on regulatory and competition policy. TIPS's Board and Management should remain open to such possibilities. In contrast, we believe TIPS should be wary of becoming an "agenda setter" and confine itself to *informing* as opposed to *forming* public policy.

b) Other Government Departments and Agencies

TIPS involvement with government bodies other than the DTI will intensify in future. In this regard we note three issues. The first will be expansion of the database, a question also raised in section II of this report. The second will be a growing demand for courses. In our view, TIPS should move progressively toward providing them on a cost recovery basis. The third is the need for more specialised gatherings alongside the annual forum, to allow researchers to interact with policy makers and other interest groups on specific issues.

c) South African Academia

At present TIPS is perceived – positively – as enjoying privileged links with the DTI and government, but as still retaining its ability to act autonomously. We strongly urge that this relationship be sustained to the mutual benefit of government, academia and TIPS itself. We have highlighted two other issues. One is inter-disciplinary research, in particular the inclusion of law alongside economics in some projects. As TIPS moves more intensively into research focusing on

industrial policy and related concerns, it should explore ways of integrating these and possibly other disciplines. The second is initiatives to establish regional level graduate level programs in trade, commercial and regulatory law at some South African universities. TIPS should monitor and encourage these efforts since they often offer excellent opportunities for facilitating policy relevant research. Finally, we note that TIPS's management is fully aware of the dangers of being perceived as a "gatekeeper" controlling access to senior management and funds within government and the donor community. To the extent that TIPS can facilitate support for academic based research, e.g. by highlighting capacities within South African universities and by drawing South African scholars into good global networks, it will strengthen its own ties considerably.

d) Non-Government Groups in South Africa

As separately noted in section II of the report, non-government and private sector interests can be attracted more readily to small gatherings focusing on a tightly defined topic of immediate interest and featuring the participation of senior policy makers. TIPS should therefore consider systematically how best to develop this "convening" role in terms of topics, audiences, and modalities.

TIPS investment in data and website has laid an excellent foundation for expanding links with the private sector. It should be more aggressive in marketing its products and services by offering, for example, to make presentations on particular issues at business and labour gatherings and to contribute to the business press.

e) Southern African Region

TIPS has been subjected to growing pressure to expand its involvement in the Southern African region. In this regard, senior DTI officials have expressed strong reservations. Our own evaluation does point to roles that TIPS can develop without prejudice to its interface with the DTI. It could facilitate policy research through small collaborative efforts. Likewise it can provide technical support and guidance on outreach activities, including the application of information technologies. Its website can serve as a portal for research institutes in the region. Many of the associated tasks can be administered on a decentralised basis through contractual agreements with research institutes and consultants in the region.

f) Global

TIPS close ties with the IDRC have facilitated promising links to regional networks, in particular with two vibrant ones in Latin America and the Southern Cone. TIPS has also been involved in the Global Knowledge Network. Opportunities for other links will undoubtedly emerge in future and should be encouraged.

3.2 Organisational Issues

Our observations in both sections II and III raise some important organisational issues.

a) Governance

As a section 21 company, TIPS's Board will have formally articulated responsibilities. In our view, this broader range of decisions should only be taken by representatives of those agencies that have taken an "equity position" by contributing a minimum amount to TIPS in *core* funds. Representatives of non-financial interests should continue to feature in TIPS's "governance", but

within a separate Scientific or Advisory Committee. Their role would be strictly consultative, focusing on substantive issues and not dealing with questions of money, personnel or procedures.

To ensure that credible professionals are willing to serve on an Advisory Committee, TIPS Board should adopt two measures that can forestall potential conflicts of interest. The first is payment of an annual retainer to Committee members. It can be reduced where the member receives other forms of payment from TIPS. The second is exclusion of the Member from sessions involving the discussion of activities in which s/he is materially involved.

To strengthen the ongoing monitoring of research, we strongly recommend the appointment of Senior Associates and Associates.

We note that TIPS's Secretariat will require restructuring to accommodate expanding roles and interfaces as well as the forthcoming change in legal status. High priority should be assigned to appointment of a Chief Operations Officer, directly responsible, under the Executive Director, for daily administration and financial operations.

We endorse TIPS's appointment of full-time professionals to manage its website and data bases. TIPS should also consider the part-time contracted services of an expert on media and communications.

b) Leadership

Much of TIPS's success can be attributed to the leadership of Dr. Rashad Cassim, the current Director. His eventual replacement, as and when he moves on in his professional career, poses a major concern. TIPS's Board should begin, in collaboration with Dr. Cassim, to set out a desired "profile" for his eventual successor as well as to detail other measure that will ensure a smooth transition.

c) Financing Strategy

Direct support by the DTI will eventually become a precondition for TIPS's continued existence, at least in its present form. In our view, DTI funds should come through three distinct "windows". The first would be general untied support. The second would be linked to specified activities. The third would be a fund for consultancies that TIPS would administer on behalf of the Department.

For other financiers, we recommend that TIPS offer the first two windows, with strong preference begin assigned to the first one. We reiterate our earlier recommendation that a minimum contribution of untied core funds be a precondition for membership in TIPS's Board.

d) Modalities

High priority should be assigned to formalising procedures for research grants. To ensure transparency, objectivity and rigour, grants in excess of an agreed minimum amount and duration should be the subject of a formal, arm's length review. With respect to training grants, we recommend that TIPS should strive, wherever feasible, to recover some and eventually all costs. Finally, we recommend that TIPS consider expanding its range of grants as it intensifies its different roles and interfaces.

f) Financial Reporting

Growth in activities and modalities will necessitate a review of TIPS's budgeting conventions. TIPS will also need to invest in a well-designed accounting system able to comply with the reporting requirements of different donors.

Appendix A: Persons Interviewed

Name	Designation
Altman, Miriam	Manager, Economic Policy Programme Graduate School of Public and Development Management, Witswatersrand University
Berry, Albert	Centre for International Studies, University of Toronto
Bhorat, Haroon	Director, DPRU, University of Cape Town
Cameron, Karen	Industrial Development Corporation of South Africa
Cassim, Fuad	Public Investment Commission
Cassim, Rashad	Director, TIPS
Cohen, Neal	USAID, Pretoria
Dava, Gabriel	CIDA Project Support Unit, Maputo
Davies, Rob	Economics Department, University of Zimbabwe
Draper, Peter	International Trade and Economic Development Division, Department of Trade and Industry
Edwards, Lawrence	Economics Department, University of Cape Town
Fedderke, Johannes	Professor of Economics, Witswatersrand University
Gelb, Stephen	Development Bank of Southern Africa
Gumede, Vusi	Department of Trade and Industry
Hirsch, Alan	Department of Trade and Industry
Hodge, James	Economics Department, University of Cape Town
Holden, Merle	Economics Department, University of Natal
Ismail, Faizel	Deputy Director General, Trade, Department of Trade and Industry
Kaplan, David	Chief Economist, Department of Trade and Industry
Leibbrandt, Murray	Head, Economics Department, University of Cape Town
Lewis, Jeffrey	Economist, World Bank
Loewald, Chris	Director Macroeconomic Analysis, Macroeconomic Policy Unit, Department of Finance
Maasdorf, Leslie	Head: Restructuring of State Enterprises, Department of Public Enterprise
Masilela, Elias	Director: Real Sector Macro-economic Policy, Department of Finance
Mkuhlu, Fundo	Programme Manager, Africa Programme, Department of Trade and Industry
Ngwenya, Sifiso	Director: SADC Area, Department of Trade and Industry
Orbon, Helmut	GTZ, Johannesburg
Parr, Geoffrey	Senior Analyst: Policy and Research, Competition Commission
Roberts, Simon	Economics Department, Witswatersrand University
Seftel, Lisa	Chief Director of Labour Relations, Department of Labour
Sibisi, Bahle	Deputy Director General, Industry, Department of Trade and Industry
Smit, Minette	Chief Economist, Competition Commission
Stern, Matthew	Economist, Department of Finance
Thomas, Rosalind	Manager: Risk Management Unit, Department of Trade and Industry
Van Ameringen, Marc	Regional Director, IDRC
Van Hartzenberg, Trudi	Deputy Director, DPRU, University of Cape Town
Van Niekerk, Loletter	Economist, World Bank, Pretoria
Van Serventer, Dirk	Economist, TIPS

Van Zwieten, Arjen
Visser, Martine
Wort, Logan

Yeo, Stephen
Zalk, Nimrod

Webmaster and Data Manager, TIPS
Economist, DPRU, University of Cape Town
Director, Finance and Investment Sector Coordinating Unit,
Department of Finance
Director, Centre for Economic Policy Research, London
Consultant, Department of Trade and Industry

Appendix B: References

- Carr, M. and Vyas, V. (1999) Trade, Employment and Competitiveness (TEC) Programme Initiative: A Review
- Cassim, R. (2000) *Reconciling the Mismatch between the Producers and Consumers of Policy Research: The Case of TIPS* draft
- Elyea, T. and Mlangeni, T. (1999) *An Analysis of South Africa's Export Trends in the 1990's* TIPS Briefing Paper
- Fine, J. C. et al. (2001) IDRC Program Initiative for Trade Employment and Competitiveness: Report of an External Evaluation
- IDRC (2000) Proposal for Southern African Trade Network: Submission to the IDRC
- Ministry of Public Enterprises (2000) Policy Framework: An Accelerated Agenda Towards the Restructuring of State Owned Enterprises. CD ROM
- Page, S. (1997) *Some Implications of the SADC Trade Protocol* TIPS Working Paper No. 2
- Smit, M. R. (1999) *Competition Policy: South African Literature, researchers and data* TIPS Working Paper No. 12
- TIPS Website: www.tips.org.za
- TIPS Contracts Monitoring Sheet
- TIPS TIPS Website at: <http://www.tips.org.za/papers/list.asp>
- TIPS TIPS Newsletters and Periodicals: <http://www.tips.org.za/periodicals/index.htm>
- TIPS (1998) *Report on Annual Forum 1997*
- TIPS (1998) TIPS Annual Report 1997/98
- TIPS (2000) *Annual Forum Report 1999*
- TIPS (2000) Second Annual TIPS Board Meeting
- TIPS (2000) TIPS Annual Report 1999
- TIPS (2000) Development Southern Africa, September 2000 Special Issue on 1999 TIPS Forum
- TIPS (2000) Papers Presented at TIPS Forum 2000 CD ROM
- TIPS and Foundation for Global Dialogue (1998) Workshop Proceedings: Trade Policy and Environmental Agreements: Developing a South African Response
- Yeo, S. (1999) *Thinking About the Future* Presentation to CEPR Board
- Zhen, Kun Wang and Winters, L. Alan (2000) *Putting "Humpty" Together Again: Including Developing Countries in a Consensus for the WTO* CEPR Policy Paper No. 4 London

APPENDIX 3: Personal Biographical Details of Consultants.

Jeffrey Craig Fine

16 Garand Place,
Ottawa, Canada. K1H 8M1

Telephone: (613) 526 4258

Fax: (613) 526 0286

E-Mail: jcfine@telepraxis.com

Profile:

- Over 30 years experience in management, capacity building and economic research in Canada and developing regions (Africa, East and South East Asia, Latin America, and Middle East)
- Economic analysis of policies and programs
- Design, management and evaluation of research and training programs
- Mobilisation and international networking of human and financial resources

June 2000

Professional Experience

Jeffrey C. Fine Consulting

Ottawa Canada

April 1994 to present

Economic Analysis and Strategic Planning:

- Formulation of Canadian strategy for South Africa and Southern Africa (Canadian International Development Agency)
- Selective analysis of human resources strategy for Southern Africa (Canadian International Development Agency)
- Preparation of thematic paper on “Growth Prospects for Sub-Saharan Africa” (OECD Development Centre)
- Study of economic development of Southern Africa, including South Africa to 2015 (Government of Sweden)
- Advisor (part-time) to Strategic Planning Group for Southern Africa (CIDA)
- Strategic Networking and Development in Sub-Saharan Africa (Rockefeller Foundation)
- Informatics and Human Resource Development in Sub-Saharan Africa (International Development Research Centre and World Bank)
- Strategic Analysis of Activities of Economic Development Institute in Sub-Saharan Africa (World Bank)
 - Specification of research initiative on trade and industrial policy in Southern Africa (Trade and Industrial Policy Secretariat, South Africa)
 - Evaluation of the EAGER project for strengthening economic policy research in Sub-Saharan Africa (USAID)
- Analysis of Multilateral Debt Relief Initiative for Tanzania (CIDA)
 - Assessment of CIDA Interventions to Promote International Trade and Economic Integration (CIDA)
- Development of inter-agency facility for the analysis of growth and poverty (CIDA and IDRC)

Investment and Regional Development

- Preparation of chapter "Regional Integration in Sub-Saharan Africa" for volume "Regional Integration and Trade Liberalisation in Sub-Saharan Africa (Macmillan, Oxford, Dec. 1995)
- Study of income generating activities and formulation of strategic business plan for IDRC Southern Africa Regional Office (with Ernst and Young)
- Study of Private Investment and Finance for the SADC Region (Government of South Africa, CIDA and ODA)
- Advisor to SADC Finance and Investment Sector Coordinating Unit on regional integration, investment, and development finance (CIDA)
- Preparation of CIDA Program to promote private investment in Southern Africa (CIDA)
- Development of pilot program for electronic commerce in Tanzania and Uganda (World Bank and IDRC)
- Preparation of project to facilitate "Private Investment in Economic Infrastructure in Southern Africa" (CIDA)
- Evaluation of IDRC Trade Employment and Competitiveness Program
- Consultant to UN Economic Commission for Africa on stimulating e-commerce in Sub-Saharan Africa

Investment in Human Resources:

- Evaluation of Sweden/Tanzania Collaborative Program in Economics (Swedish International Development Agency)
- Design of program to support African doctoral graduates returning to Sub-Saharan Africa (Rockefeller Foundation)
- Design of Africa wide doctoral program in economics (African Economic Research Consortium)
- Senior Adviser to the African Rural Social Science Research Networks (Winrock International and USAID)
- Economic Analysis of Senegal Higher Education Project (World Bank)
- Costing and Financing of Collaborative Doctoral Program in Economics for Sub-Saharan Africa (African Economic Research Consortium)
- Economic Analysis of Education Reform Program for the Ivory Coast (World Bank)
 - Study of networks for research and learning in Sub-Saharan Africa (Rockefeller Foundation and Social Sciences Research Council)
- Economic consultant for proposed Education Sector loan in Guinée (World Bank)

- Financial and Management Assessment of Tanzanian Education Sector Development Program (CIDA and European Union)
- Analysis of Human Development Needs and Trends in Sub-Saharan Africa (World Bank)

Capacity Building:

- Consultant to the African Economic Research Consortium (AERC) on graduate training, resource mobilisation, and international networking
- Design of region wide intervention for post-degree business education in Sub-Saharan Africa (World Bank and African Capacity Building Foundation)
- Study of consulting industry in Sub-Saharan Africa (IDRC, SIDA, and CIDA)
- Preparation of thematic paper on capacity building in higher education and research in Sub-Saharan Africa for Swedish International Development Agency
- Design of program in support of economic research in Russia for Eurasia Foundation (with J. Stephen Yeo)
- Design of program in support of graduate training in economics in the Ukraine for the Eurasia Foundation (with J. Stephen Yeo)
- Program for Eurasia Foundation to retain economists in the Ukraine (with S. Yeo)
- Specification of feasibility study for strengthening African participation in consulting (CIDA, IDRC and Norwegian Foreign Ministry)
- Design of project to strengthen trade and industrial policy analysis within the Government of South Africa (with J. Stephen Yeo)
- External Evaluation of the “Réseau de Recherche sur les Politiques Industrielles en Afrique” (IDRC) (with Prof. M. Nabli)
- Advisor to Association of African Universities on Networks for Post-Graduate Education and Research in Sub-Saharan Africa (World Bank and Association for Development of Education in Africa)
- Evaluation of Economics Education and Research Consortium (Russia) (Eurasia Foundation)

African Economic Research Consortium

Nairobi, Kenya

Executive Director

Aug 1988 to Mar 1994

- Establishment and management of major Africa wide network of professionals engaged in economic policy research and graduate education.
- Introduction of new approaches for improving the quality and relevance of economic research and its effective dissemination to key audiences within and outside Africa.
- Implementation of collaborative graduate program in economics in 20+ Sub-Saharan African universities.
- Successful mobilisation of resources from 15 international and bilateral agencies and private foundations.

The AERC is frequently cited as a most successful example of "capacity building" in francophone and anglophone Africa. With an annual budget of US\$9.5 mln and a secured endowment (by end 1996) of US\$7 mln, the Consortium manages over 40 research projects annually, involving upwards of 150 African and overseas scholars, as well as a collaborative MA Program in Economics on behalf of 18 universities in 13 African countries. Its bilingual dissemination program supports the publication of 4 externally reviewed research monographs per month, several books annually, articles in scholarly journals, international conferences, and a highly acclaimed series of seminars for senior African policy makers.

International Development Research Centre

Ottawa, Canada (to Jan 1984) and Nairobi, Kenya (to July 1988)

Senior Program Officer,
Social Sciences Division

Sept 1979 to July 1988

- Establishment of research network on trade and trade policy in East and South East Asia
- Development of network for policy research and training in Latin America
- Major role in preparing 25 economic research projects in East and South East Asia, Turkey, Egypt, Tunisia and West Africa
- Establishment and management of macroeconomic research network for Eastern and Southern Africa

From September 1979 to January 1984, I played an instrumental role in developing a global program for economic policy research. This included the establishment of networks for training and research in East and Southeast Asia, Latin America and Eastern and Southern Africa. In January 1984, I moved to the IDRC's regional office in Nairobi where, in addition to these activities, I assumed direct responsibility, as a project grantee, for the establishment of a macroeconomic research and training network for Eastern and Southern Africa. The interest and support of donors in North America and Europe led to the establishment of the African Economic Research Consortium, launched initially under the aegis of the Rockefeller Foundation.

Government of Canada

Ottawa, Canada

Economic Analyst,
Department of Finance and Treasury Board

Jan 1977 to Aug 1979

- Applied research into various issues including trends in income distribution, investment and savings; provincial investment in electrical power generation; net benefits of the US - Canada Auto Pact; the impact of sovereignty association on Quebec agriculture (Tellier Commission); and changes in Western grain transport policy (Crows Nest Pass)

- Evaluation of African Development Bank and participation in negotiation of Canadian Membership of Bank
- Studies relating to Canadian membership in international financial institutions, including the IMF, World Bank, and Asian Development Bank

I first joined the Long Range and Structural Analysis Division of the Department of Finance and subsequently moved to the Planning Branch of the Treasury Board. When the latter was abolished, I moved to the International Programs Division of the Department of Finance. In addition to conducting various studies, I represented the Department at international meetings, notably the negotiation of Canadian membership in the African Development Bank and the International Conference on Agrarian Change and Rural Development. I left the Department to join the International Development Research Centre which was about to strengthen its economic research activities.

Government of Prince Edward Island

Charlottetown, PEI, Canada

Senior Economist,
Department of Development

Jan 1975 to Dec 1976

- Preparation of economic strategy for second phase of federal-provincial development plan
- Economic analysis of health care policy and preparation of Green Paper on provincial health care
- Selective studies, including food processing industry and employment trends, for provincial cabinet

My assignment in PEI provided a unique opportunity to acquire a better understanding of Canadian federalism and to study some important social and economic issues based in one of Canada's more attractive, albeit economically less developed regions.

Government of Kenya

Nairobi, Kenya

Economic Advisor,
Ministry of Finance

Nov 1970 to Dec 1974

- Preparation of education and training portions of 1974/78 Development Plan
- Analyses of educational programs and projects
- Development of project management and financial control systems
- Preparation of annual education and training budget
- Establishment of an overseas training scheme for Kenyan economists and planners

I carried out the above activities as a member of the York University Kenya Project financed by CIDA and the Government of Kenya. Formally charged with the introduction of a project management and evaluation system, with specific reference to education and training, I became involved, along with other team members, in a wide range of planning, managerial and financial functions, with specific reference to education and training.

Institute for Agricultural Research

Zaria, Nigeria

Research Assistant,
Rural Economy Research Unit

Sept 1966 to July 1968

- Direct management of field surveys of agricultural production and marketing, social structures, and demographic behaviour
- Research into farming systems and decision making of peasant farmers

My work for the Rural Economy Research Unit was conducted as a CUSO volunteer. The field work marked a pioneering effort in what subsequently became "farming systems" research. My own extended residence in 3 northern Nigerian villages over an 18 month period provided invaluable insights into the complex web of social and economic relationships typifying rural African communities.

Education

- London School of Economics, MPhil (Economics) (1970) (Commonwealth Scholar)
- University of Toronto, BA (Hons) (Political Science and Economics) (1966) (First Class Honours)

Although I successfully completed the course work requirements for a doctoral degree in economics, I was obliged for personal reasons to terminate my dissertation at the M.Phil level. My dissertation, "The Concept of Subsistence in Traditional Agriculture", was supervised by Professor P. T. Bauer and drew on survey data and other materials collected in northern Nigeria.

Languages

French reading and speech (good) writing (fair)

Publications

- **Graduate Training in Economics.** AERC Special Paper No. 9. 1990
- **Professionals and Professionalism in Sub-Saharan Africa.** Paper presented to International Center for Economic Growth Conference. Nairobi. May 1992
- **Ph.D. Training in Economics in Sub-Saharan Africa: Lessons and Prospects** East African Educational Publications Ltd. April 1994. (Introductory chapter and joint editorship with A. Drabek and W. Lyakurwa)
- **Regional Integration in Sub-Saharan Africa: A Dead End or a Fresh Start?** Joint paper with S. Yeo, Centre for Economic Policy Research. London (Chapter in *Trade Liberalisation and Regional Integration* Collier, P., Ndulu, B. and Oyejide, A. (Ed.) MacMillan. London. 1997)
- **Sub-Saharan Africa: Its Prospects for Growth** Commissioned paper for OECD Development Centre Conference on Future Growth Prospects for Sub-Saharan Africa. Paris. September 30 and October 1 1994
- **The AERC Experience: An Essay on Research and Higher Education in Sub-Saharan Africa** Commissioned Paper for Swedish International Development Agency. August 1995

- **Networks for Research and Learning: A Strategic Approach to Capacity Building in Sub-Saharan Africa** Report commissioned by the Rockefeller Foundation and the US Social Sciences Research Council (Presentation in Bellagio Italy, July 1997)
- **Human Development in Africa in the Twenty First Century** (World Bank publication) (forthcoming Jan. 1999)

Consultant Reports

- **Post Degree Business Education in Sub-Saharan Africa** August 1994
- **An Evaluation of Swedish Support for Cooperation in Economics Education** Final Report September 1994
- **Southern Africa: A Development Strategy for Canada** Final Report January 1995
- **Strengthening Capacity for Science Based Development in Africa** Final Report January 1995
- **Utilising African Professionals in Consulting.** Final Report. Phase I. June 1995
- **Consortium for Supporting Research and Training in Economics in Russia and the Ukraine** Final Report. September 1995
- **Strengthening Trade and Industrial Policy Analysis and Research in South Africa** Final Report. December 1995
- **Southern Africa: Economic Development to 2015** Final report. November 1995
- **IDRC: Revenue Diversification: A Strategic Business Plan for the Southern Africa Regional Office** July 1996
- **Senegal Higher Education Project: Economic Analysis** April 1996
- **A Collaborative Program for Doctoral Education in Economics in Sub-Saharan Africa** (May 1996)
- **Private Investment and Development of the SADC Region: Studies of Foreign Direct Investment, Portfolio Investment and Development Finance** (June 1996)
- **Doctoral Education in Economics for Sub-Saharan Africa: Cost and Financing Strategy** (November 1996)
- **Réseau de Recherche sur les Politiques Industrielles: An External Evaluation of Phases I and II** (November 1996)
- **The ACACIA Initiative: Informatics and Human Resource Development** (December 1996)
- **Economic Evaluation of Education Reform Program for the Ivory Coast** (May 1997)

- **Future Directions for Research into Trade Policy and Industrialisation in Sub-Saharan Africa** (July 1997)
- **Strengthening Economics Training in South Africa** (July 1997) (with Stephen Yeo)
- **Note on Higher Education Reform in the Côte d'Ivoire** (Feb. 1998)
- **Economic Analysis of the Education Sector in Guinée** (April 1998)
- **Promoting Private Investment in Southern Africa** (Dec. 1997)
- **Proposed CIDA Interventions to Promote Private Investment in Southern Africa** (Mar. 1998)
- **Connectivity Commerce and Growth: Uganda and Tanzania** (with J. Rostenne) (June 1998)
- **Networks for Research and Graduate Education in Africa** (with H. Mekour, G. Odamtten, and W. Omole) (September 1998)
- **Evaluation of the EAGER Project for Economic Policy Research** (with A. Bachelder) (USAID) (January 1999)
 - **Appraisal of the Education Sector Development Programme: Report of the Financial Planning and Management Sub-Group** (joint) (April 1999)
 - **Africa in the Twenty First Century: Human Development** (Paper commissioned by World Bank) (June 1999)
 - **Multilateral Debt Relief Fund: Tanzania; Assessment of Possible Canadian Participation** (August 1999)
 - **Connectivity and Commerce: Accelerating Diffusion of the Internet in Uganda and Tanzania** (with Jacques Rostenne) (September 1999)
 - **Canadian Support for Private Sector Development: Trade and Regional Integration** (February 2000)
 - **The Russian Economics Education and Research Consortium: Mid-Term Evaluation** (The Eurasia Foundation) (February 2000)
 - **Strengthening Capacities in Support of Public Private Partnerships within SADC** (March 2000)
 - **The Promise of E-Commerce for Africans: Presentation to Africa Direct Conference** (with Jacques Rostenne, May 2000)

Personal Interests

squash, swimming, scuba diving, music, reading, community service

Personal Data

born Toronto, Canada on 18 July 1945
Canadian citizen

Associates for International Resources and Development
185 Alewife Brook Parkway
Cambridge, Massachusetts 02138

ph: (617) 864-7770
fx: (617) 864-5386
Email: dstryker@aird.com

EDUCATION

Ph.D. Columbia University, 1967 (Economics)
B.S. U.S. Naval Academy, 1958

BIOGRAPHY

Dirck Stryker is President of Associates for International Resources and Development (AIRD), a research and consulting firm in Cambridge, Massachusetts that specializes in the analysis of economic problems of the Third World. Dr. Stryker obtained his Ph.D. in economics from Columbia University and taught at Yale University before joining the faculty of the Fletcher School Of Law and Diplomacy, Tufts University, where he served for 26 years. In 1980, he established AIRD, where he now works full time. For thirty years, has been extensively involved in Africa, north and south of the Sahara, as well as in a number of Asian and Latin American countries.

Dr. Stryker has directed research and consulting activities in the areas of the economics of poverty and growth, international trade policy, monetary and exchange rate policy, tax and fiscal policy, industrial organization, labor economics, legal and regulatory environment, agricultural marketing and price policy, consumer demand, livestock economics, and natural resource and environmental management. He is currently working with the Development Assistance Committee of the Organization for Economic Cooperation and Development helping to develop a set of Guidelines linking poverty reduction with policy coherence in the area of international globalization. He is also Chief of Party for the Equity and Growth through Economic Research/Trade Regimes and Growth project, funded by the U.S. Agency for International Development (USAID). He recently directed a study of global food security for the Global Bureau of USAID and has worked frequently for the World Bank.

PROFESSIONAL EXPERIENCE SUMMARY

President, Associates for International Resources and Development (AIRD), 1980-present
Associate Professor, Fletcher School of Law and Diplomacy, Tufts University, 1972-1998
Visiting Associate Professor, Food Research Institute, Stanford University, 1977-78
Assistant Professor, Yale University, 1969-72
Lecturer and Research Economist, Yale University, 1966-68
Preceptor, Principles of Economics Course, Columbia University, 1965-66
Senior Research Assistant, International Economics Workshop, Columbia University, 1964-66

CONSULTING EXPERIENCES

Team Leader, CDIE Evaluation Services IQC, Assessment of alternative poverty reduction paradigms, USAID/PPC/CDIE, 2000-2001.

Lead Advisor, OECD/Development Assistance Committee, Informal Network on Poverty Reduction, Policy Coherence Guidelines, 1999-2000.

Study Director, Opportunities and Obstacles for Biotechnology in West African Agriculture, RAISE Case Study, 2000.

Team Leader, Haiti Hillside Agriculture Economic Assessment, 2000.

Lead Advisor, OECD/Development Assistance Committee, Informal Network on Poverty Reduction, Scoping Study, 1998-99.

Study Director, Meeting the Food Summit Target: The United States Contribution, U.S. Interagency Working Group on Food Security, 1998.

Chief of Party, Equity and Growth through Economic Research Project/Trade Regimes and Growth, 1995-present.

Principal Investigator, Monetary and Exchange Rate Policy in Ghana and Uganda.

Principal Investigator, Effects of Policy Reform on Investment, Trade, and Growth in Sub-Saharan Africa: A Cross-Country Econometric Analysis.

AIRD Co-Coordinator, Equity and Growth through Economic Research Project/Public Strategies for Growth and Equity, 1995-present.

Principal Investigator, Increasing Demand for Labour in South Africa.

Principal Investigator, The Cost of Doing Business: The LRJ Environment in Ghana, Madagascar, and Tanzania.

Principal Investigator, Reducing Barriers to Business in Malawi and Senegal.

Co-Principal Investigator, Restarting and Sustaining Growth and Development in Ghana

AIRD Principal Investigator, Consulting Assistance on Economic Reform Project II, 1995-present.

Chief of Party, Mali Trade and Investment Program, Mali Ministry of Industry, Commerce, and Transport, 1998-2000.

Principal Investigator, Impact of Outward-Looking, Market-Oriented Reforms on Economic Growth and Poverty Reduction, 1996-1997.

Study Director, Dollarization and Its Implications in Ghana, 1997.

Member, Working Group for the Preparation of the 1997 Copenhagen Seminar on Conditions for Social Progress, 1997.

Member, Scientific Committee, African Research Network on Industrial Policy, 1993-1998.

Study Director, Linking Macroeconomic and Sectoral Policies and Investments with the Alleviation of Poverty in Sub-Saharan Africa, 1993-1994.

Study Director, Impact of Reforms under the Structural Adjustment Program on the Rural Sector in Rwanda, 1993-1994.

Study Director, Costs and Benefits of Eliminating Institutional Constraints on the Expansion of Nontraditional Exports, 1992-1994.

Project Director, Construction of a Social Accounting Matrix in Morocco, 1992-1994.

Project Director, Regional Integration in West Africa, 1990-1994.

Team Leader, Evaluation of Policy Reform and Poverty Project, Cornell Food and Nutrition Policy Program, 1992

Trade Economist, Bahamas Investment Sector Loan, Inter-American Development Bank, 1992.

Project Director, Madagascar Study of Regional Specialization and Agricultural Growth, 1991-92.

Senior Economist, Study of Macroeconomic Situation and Progress of Economic Reform in Madagascar, 1990-91.

Consultant to the World Bank, Bangladesh Food Policy Review, 1990-91.

Project Advisor, Study of Irrigation and the Environment in Madagascar, 1990-91.

Project Director, Madagascar Irrigation Sector Survey, 1990-91.

Study Director, Guinea Agricultural Sector Assessment, undertaken by Associates for International Resources and Development and Abt Associates, 1989.

Agricultural Economist, joint Harvard University-Fletcher School of Law and Diplomacy research project, Peoples' Republic of China, 1989.

Principal Investigator, Study of Linkages Between Policy Reform and Natural Resource Management in Sub-Saharan Africa, undertaken jointly by Tufts University and Associates for International Resources and Development, 1988-89.

Consultant to the Ministry of Economic Affairs, Morocco, regarding food subsidies and demand analysis, 1988-89.

Agricultural Trade Policy Economist and team leader, Study of Tariff, Trade Tax and Incentives Policies in Nigerian Agriculture, Federal Ministry of Agriculture, Water Resources and Rural Development, Lagos, 1987.

Country Analyst for Ghana, World Bank's Comparative Study of the Political Economy of Agricultural Pricing Policies, 1985-1989.

Tufts University Campus Coordinator, Niger Integrated Livestock Production Project, 1984-1988. Frequent supervisory missions to Niger.

Chief Economist, Study of Consumption Effects of Price Policy in the Dominican Republic and Mali, School of Nutrition, Tufts University, 1985-1988.

Economist, Advisor to World Bank mission in Ghana on cocoa producer pricing, 1986.

Senior Economist, Mali Incentives and Economic Policy Reform Study, 1986.

Economist, Morocco Agricultural Prices and Incentives Study, undertaken by Associates for International Resources and Development, 1984-1985.

Principal Investigator, Evaluation of the Agricultural Export Program of the USDA Agricultural Research Service, undertaken jointly by the Fletcher School and the School of Nutrition, Tufts University, 1982-1984.

U.S. Project Coordinator and Livestock Economist, Design Team for the U.S. Agency for International Development's Niger Integrated Livestock Production Project, 1982-1983.

Study Director, Madagascar Rice Sector Study, undertaken by Associates for International Resources and Development, 1982-1985. Supervisory missions to Madagascar.

Study Director, Study of the Effectiveness of Foreign Aid in Ghana and the Ivory Coast, undertaken by Associates for International Resources and Development, for the University of Minnesota, 1982.

Chief Economist, Design Team for the U.S. Agency for International Development's OMVS Integrated Development Project, 1981-82.

Study Director, Study of Prices and Farmer Incentives in the Republic of Guinea, undertaken by Associates for International Resources and Development, 1980-82. Supervisory missions to Guinea.

Principal Investigator, Cameroon Social Science and Research Project, undertaken by the Fletcher School, Tufts University, 1979-82. Supervisory missions to Cameroon.

Participant at the U.S. Agency for International Development Seminar on the Political Economy of Rice in West Africa, Washington, D.C., October 1979.

Participant at the West Africa Rice Development Association Seminar on Strategies for Rice Development in West Africa, Monrovia, Liberia, October 15-20, 1979.

Participant at the U.S. Agency for International Development's Sahel Chiefs of Mission Conference, Washington, D.C., May 31-June 1, 1979.

Consultant to the Harvard Institute for International Development on its study concerning Recurrent costs in the Sahel, with responsibility for the livestock sector, 1979. Led a mission to West Africa in 1979.

Consultant to the World Bank on grain policy in Mali, 1978.

Consultant to U.S. Agency for International Development on the role of infrastructure investment in the Sahel, 1978-1979.

Consultant to the Center for Research on Economic Development, University of Michigan, 1976.

Consulting editor for the World Bank, 1976-present.

Co-Principal Investigator, Food Research Institute, Stanford University concerning the Political Economy of Rice in West Africa, 1976-77. Led missions to West Africa in summers of 1976 and 1977.

Member of USAID Task Force to prepare for the U.S. Congress a proposal for a Long-Term Comprehensive Development program for the Sahel, 1976.

Consultant to USAID on Financing Recurrent Government Expenditures for Livestock Development in Mali, 1976. Participated in missions to Mali in January and May, 1976.

Consultant to World Bank for research project concerning Comparative Costs and Incentives in Western Africa, 1973-76. Participated in missions to West Africa, May-July 1974 and June-July 1975.

Consultant to World Bank for research project concerning Comparative Analysis of Resource Allocation in Cocoa Production, 1973.

Participated in panels on African economic problems, U.S. Department of State, 1973-74.

Consultant to USAID on the livestock sector in Mali, 1973. Participated in a mission to Mali in January-February 1973.

Lecturer on African economic problems, U.S. Foreign Service Institute, 1971-72.

Researcher attached to Ministère du Plan, Ivory Coast, to study the economic history of the Ivory Coast, 1967-68.

PUBLICATIONS

Making Aid Work for the Poor, DAC Scoping Study of Donor Poverty Reduction Policies and Practices: Synthesis Report. Prepared for the OECD's Development Assistance Committee with the Overseas Development Institute. March 1999 (co-author).

"Impact of Outward-Looking, Market-Oriented Policy Reform on Growth, Trade, and Investment in Sub-Saharan Africa," *EAGEReport*, 8, 1998.

“African Investment, Trade, and Growth: Obstacles and Opportunities in the 21st Century,” *EAGEReport*, 6, 1998.

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"Agriculture and Natural Resource Management," in Cynthia P. Green, ed., *Sustainable Development: Population and the Environment*, Proceeding of a Workshop on Sustainable Development in Sub-Saharan Africa, Baltimore, Maryland, May 19-21, 1993, Academy for Educational Development, 1994.

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"Explaining Recent Trends in African Agricultural Trade," in John W. Helmuth and Don F. Hadwiger, eds., *International Agricultural Trade and Market Development Policy in the 1990s*, Greenwood Press, 1993 (co-author).

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"Ghana." In Anne O. Krueger, Maurice Schiff, and Alberto Valdés, ed., *The Political Economy of Agricultural Pricing Policy*, Volume 3: Africa and the Mediterranean. Baltimore: Johns Hopkins, 1991.

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"The Sources of Change in Export Performance: The United States and Canada," in Peter Kenen and Roger C. Lawrence, *The Open Economy: Essays on Foreign Trade and Finance*, Columbia University Press, 1969.

Dissertation topic: Theoretical and Empirical Study of the Effects of Growth on Exports, U.S. & Canada, Columbia University, 1967

EQUITY AND GROWTH THROUGH ECONOMIC RESEARCH (EAGER) DISCUSSION PAPERS

"Dollarization and Its Implications in Ghana." African Economic Policy Discussion Paper No. 19, June 1999.

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"Review of Results of EAGER Research on Trade." EAGER Policy Brief No. 17, 1997.

"Increasing Employment in South Africa: Policy Recommendations." EAGER Policy Brief No. 18, 1998 (co-author).

CONSULTING ASSISTANCE ON ECONOMIC REFORM (CAER) DISCUSSION PAPERS

"Impact of Outward-Looking, Market-Oriented Policy Reform on Economic Growth and Poverty: Technical Paper." CAER II Discussion Paper No. 7, June 1997 (co-author).

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"Regional Economic Integration in West Africa: Potential for Agricultural Trade as an Engine of Growth in the Western Subregion," CAER Discussion Paper No. 21, April 1994 (co-author).

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"Environmental and Natural Resource Management in Africa," AIRD Working Paper No. 3, June 1991.

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"Investment, Trade, Growth, and Poverty in Egypt." Paper presented at the Egypt Economic Policy Conference 1999, Cairo, February 3-4, 1999 (co-author).

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"Dollarization and its Implications in Ghana." Conference paper presented at *Ghana -- Reaching the Next Level Through Global Competitiveness: A Public/Private Partnership*, Chapel Hill, North Carolina, June 1-6, 1997.

"Impact of Global Capitalism on the Economies, Values, and Social and Political Systems of Developing Countries." Paper presented at the Royal Danish Ministry of Foreign Affairs *1996 Copenhagen Seminar for Social Progress*, Havreholm Castle, 2-4 September 1996.

"Effects of Monetary, Fiscal, and Exchange Rate Policy on Trade." Paper presented at the EAGER Economic Analysis for Policy Reform in Africa Workshop, Washington, DC, July 17-19, 1996.

"Increasing Labor Demand and Productivity in Ghana and South Africa." Paper presented at the EAGER Economic Analysis for Policy Reform in Africa Workshop, Washington, DC, July 17-19, 1996.

"The Cost of Doing Business: The LRJ Environment in Ghana, Madagascar, and Tanzania." Paper presented at the EAGER Economic Analysis for Policy Reform in Africa Workshop, Washington, DC, July 17-19, 1996.

Costs and Benefits of Eliminating Institutional Constraints on the Expansion of Nontraditional Exports. Prepared for the U.S. Agency for International Development, October 1994 (co-author).

A Regional Strategy for Trade and Growth in West Africa: Sectoral Analyses and Action Plan. Prepared for the U.S. Agency for International Development, June 1994 (co-author).

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The Impact of Reforms under the SAP on the Rural Sector. Prepared for the Ministry of Plan, Republic of Rwanda, February 1994 (co-author).

The Impact of Structural Adjustment on Natural Resource Management in Sub-Saharan Africa. Prepared for the AID Africa Bureau Senior Management Workshop on Sustainable Development: Population and the Environment, May 19-21, 1993 (co-author).

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Cooperative Agreement AFR-0000-A-00-8045-00, Policy Reform and Poverty Project 698-0519, Evaluation Report. Prepared for the U.S. Agency for International Development, October 1992 (co-author).

Bahamas, Investment Sector Loan (BH-0011), Trade Regime. Prepared for the Inter-American Development Bank, April 19, 1992.

Regional Economic Integration in West Africa: Potential for Agricultural Trade as an Engine of Growth in the Western Subregion. Prepared for the U.S. Agency for International Development and the Harvard Institute for International Development (HIID), March 1992 (co-author).

Regional Specialization and Agricultural Growth in Madagascar. Prepared for the World Bank, February 1992 (co-author).

"Economic Growth and Food Security in the Sahel: The Role of Economic Integration." Prepared for the U.S. Agency for International Development. January 1992.

"Etude du Secteur Irrigué: Etude de l'Economie de l'Irrigation." Rapport Provisoire. Prepared for the Ministry of Agricultural Production and Agrarian Reform, Malagasy Democratic Republic, June 1991 (co-author).

Trade, Agricultural Policy, and the Dynamics of Regional Zones in West Africa: Scenarios for Regional Economic Integration of the Cereals Market in the Western Sub-region. Prepared for the *Rencontre sur les interactions des politiques agro-alimentaires dans le sous-espace ouest*, du 27 au 31 mars 1991 à Bamako, May 1991 (co-author).

Exchange Rate Policy and Implications for Agricultural Market Integration in West Africa. Prepared for the U.S. Agency for International Development and the Harvard Institute for International Development (HIID), May 1991 (co-author).

The Current Macro Economic Situation and the Progress of Economic Reform in Madagascar. Prepared for the U.S. Agency for International Development and the Harvard Institute for International Development (HIID), January 1991 (co-author).

Bangladesh Food Policy Review: Analysis of Rice Price Stabilization. Prepared for the World Bank, January 1991 (co-author).

Analyse de la Consommation Alimentaire au Maroc. Document du Travail No. 1, Groupe de Travail pour l'Estimation des Elasticités de Demande des Produits Agro-Alimentaires du Comité Interministériel de Coordination des Travaux sur la Modélisation de la Consommation, Kingdom of Morocco, June 1990.

"Adjustment in West Africa: the Guinea Experience." Paper presented at the *World Bank Second Global Prospects Conference*, Washington, D.C., April 30 - May 1, 1990.

Agricultural Sector Assessment for the Republic of Guinea. Prepared for USAID Conakry. November 1989, (co-author).

Linkages Between Policy Reform and Natural Resource Management in Sub-Saharan Africa. Prepared for USAID Washington, June 1989, (co-author).

Changing Animal Disease Patterns Induced by the Greenhouse Effect. Tufts University School of Veterinary Medicine and Fletcher School of Law and Diplomacy. Prepared for the Environmental Protection Agency, October 1988 (co-author).

"Economic Analysis of the Development and Usage of Thermo-resistant Rinderpest Vaccine." Paper presented to the *5th International Symposium on Veterinary Epidemiology and Economics*, Copenhagen, July 25-29, 1988 (co-author).

Analysis of Agricultural Tariff, Tax and Incentive Policies - Final Report, Customs and Excise Tariff Review: Component B. Report prepared for the Federal Ministry of Agriculture, Water Resources and Rural Development, Federal Government of Nigeria, October 1987 (co-author).

Incentive System and Economic Policy Reform in Mali. Report prepared for the World Bank, June 1987 (co-author).

"Determination of the Cocoa Producer Price: A Technical Note." Report prepared for the Government of Ghana and the World Bank. October 22, 1986.

"Nigeria Agricultural Sector Review: Domestic Resource Cost Analysis." Report prepared for the World Bank, July 30, 1986 (co-author).

"Methodology of Domestic Costs Analysis." Background Paper prepared for the World Bank Nigeria Agricultural Sector Review, July 30, 1986 (co-author).

"Price Policy in Africa." AIRD consultant paper prepared for the World Bank as background material for the *World Development Report*, September 1985.

Cocoa Productions in Cameroon: Options for Pricing Policies. AIRD consultant report prepared for the World Bank, December 1985 (co-author).

"A New Look at the Tragedy of the Commons." Paper presented to the Northeast Development Conference, Williams College, Williamstown, Massachusetts, May 3-4, 1985.

Etude sur la Politique des Prix et des Incitations dans le Secteur Agricole. Preliminary Report of the First Phase by the Working Group of the Morocco Ministry of Agriculture and Agrarian Reform and Associates for International Resources and Development, April 1985 (co-author).

"The Search for a Pastoral Livestock Production Strategy." Paper presented to the National Livestock Conference, Tahoua, Niger, April 2-5, 1985 (co-author).

Madagascar: Etude du Secteur Rizicole--Rapport Final. AIRD consultant report prepared for the Ministry of Agricultural Production and Agrarian Reform, Malagasy Democratic Republic, September 1984 (co-author).

The Role of the Agricultural Research Service in Export Promotion. School of Nutrition and Fletcher School of Law and Diplomacy, Tufts University, July 31, 1984 (co-author).

"An Economist's Perspective on Livestock Development in Africa." Paper presented at the Twenty-Sixth Annual Meeting of the African Studies Association, Boston, Massachusetts, December 7-10, 1983.

Comparative Returns to Irrigated vs. Dryland Agriculture in the Senegal River Basin--Model Results. AIRD consultant report prepared for River Basin Development Office, USAID/Senegal, June 1983 (co-author).

Niger Integrated Livestock Production Project Paper. Prepared for USAID/Niger by Tufts University, May 1983.

"The Economics of Animal Health in the Pastoral Zone of Niger." Paper presented at the International Conference on Impact of Diseases on Livestock Production in the Tropics at Kissimmee, Florida, May 1983.

"Assistance to Ghana and Ivory Coast." Chapter 15 in Anne O. Krueger and Vernon R. Ruttan, *The Development Impact of Economic Assistance to LDCs*, Economic Development Center, University of Minnesota for the Agency for International Development and the Department of State, March 1983 (co-author).

"Review of CRED Report on Senegal – Consumption Effects of Agricultural Policies: Cameroon and Senegal." AIRD consultant report prepared for U.S. Department of Agriculture, Nutrition Economics Group, March 1983.

Guinea: Etude des Prix et Incitations aux Producteurs Ruraux Rapport Final. AIRD consultant report prepared for the Ministry of Agriculture, Revolutionary Peoples' Republic of Guinea, January 1983 (co-author).

OMVS Integrated Development Project: Economic and Financial Analysis. Prepared for the U.S. Agency for International Development, August 1982.

"Livestock Development in the Sylvo-Pastoral Zone of Senegal – A Case Study for the CILSS/Club du Sahel, Sahel Recurrent Cost Study." Prepared for Harvard Institute for International Development, February 1980.

"On-Farm Cattle Fattening in Mali – A Case Study for the Sahel Recurrent Cost Study." January 1980.

"Recurrent Costs for Animal Health Services: Mali, Mauritania, Senegal, and Upper Volta--A Case Study for the Sahel Recurrent Cost Study." November 1979.

"Livestock Sector Report--The Sahel Recurrent Cost Study." Paper prepared for the Harvard Institute for International Development, September 3, 1979.

"The Economics of Grain Self-Sufficiency and Rice Production in Mali." Paper presented at the World Bank Mali Cereals Workshop, Washington, D.C., December 18-19, 1978.

"Investments in Large Scale Infrastructure: Irrigation and River Management in the Sahel." Paper prepared for the U.S. Agency for International Development, October 1978.

"Rainfed and Irrigated Agriculture in West Africa." Paper presented at a Colloquium on River Basin Development in the Sahel, U.S. Agency for International Development, Washington, D.C., March 1978.

"Political Economy of Rice in West Africa: Some Notes on Methodology (revised version)." Food Research Institute, Stanford University, February 1978.

Food Security, Self-Sufficiency, and Economic Growth in the Sahelian Countries of West Africa. Prepared for the U.S. Agency for International Development, Food Research Institute, Stanford University, February 1977.

"Political Economy of Rice in West Africa: Shadow Prices of Primary Factors and Foreign Exchange." Food Research Institute Stanford University, December 1977.

"Political Economy of Rice in West Africa: Recent Criticisms of the DRC Methodology." Food Research Institute, Stanford University, October 1977.

"Economic Models of the Village Economy." The Fletcher School of Law and Diplomacy, Tufts University, September 1976.

Financing Recurrent Government Expenditures for Livestock Development in Mali. Report prepared for the Government of Mali, May 1976 (co-author).

"Colonial Investment and Agricultural Development: The French Empire." The Fletcher School of Law and Diplomacy, Tufts University, October 1975.

"The Marketing of Malian Cattle." The Fletcher School of Law and Diplomacy, Tufts University, October 1975.

"Financing Livestock Development in Mali." Position paper prepared for the U.S. Agency for International Development, March 1973.

"The Development of Manufacturing in the Ivory Coast: A Recent Assessment." Paper presented at a Colloquium on the Ivory Coast, U.S. Department of State, Washington, D.C., February 26, 1974.

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Mali Livestock Design Study: A Conceptual Program to Increase Meat Production. Report prepared for the U.S. Agency for International Development, Washington, D.C., March 1973 (co-author).

"Analyse Econométrique: Facteurs Naturels, Densité de Population et Production Agricole dans les Pays de la Zone Franc--Etude Critique." Economic Growth Center, Yale University, November 5, 1971.

Economic Problems of Africa: Selected Bibliography. Economic Growth Center, Yale University, September 1971.

FELLOWSHIPS: Harry G. Friedman Scholarship, Columbia University, 1963-64

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